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DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

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Thursday, September 2, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jill Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Wood

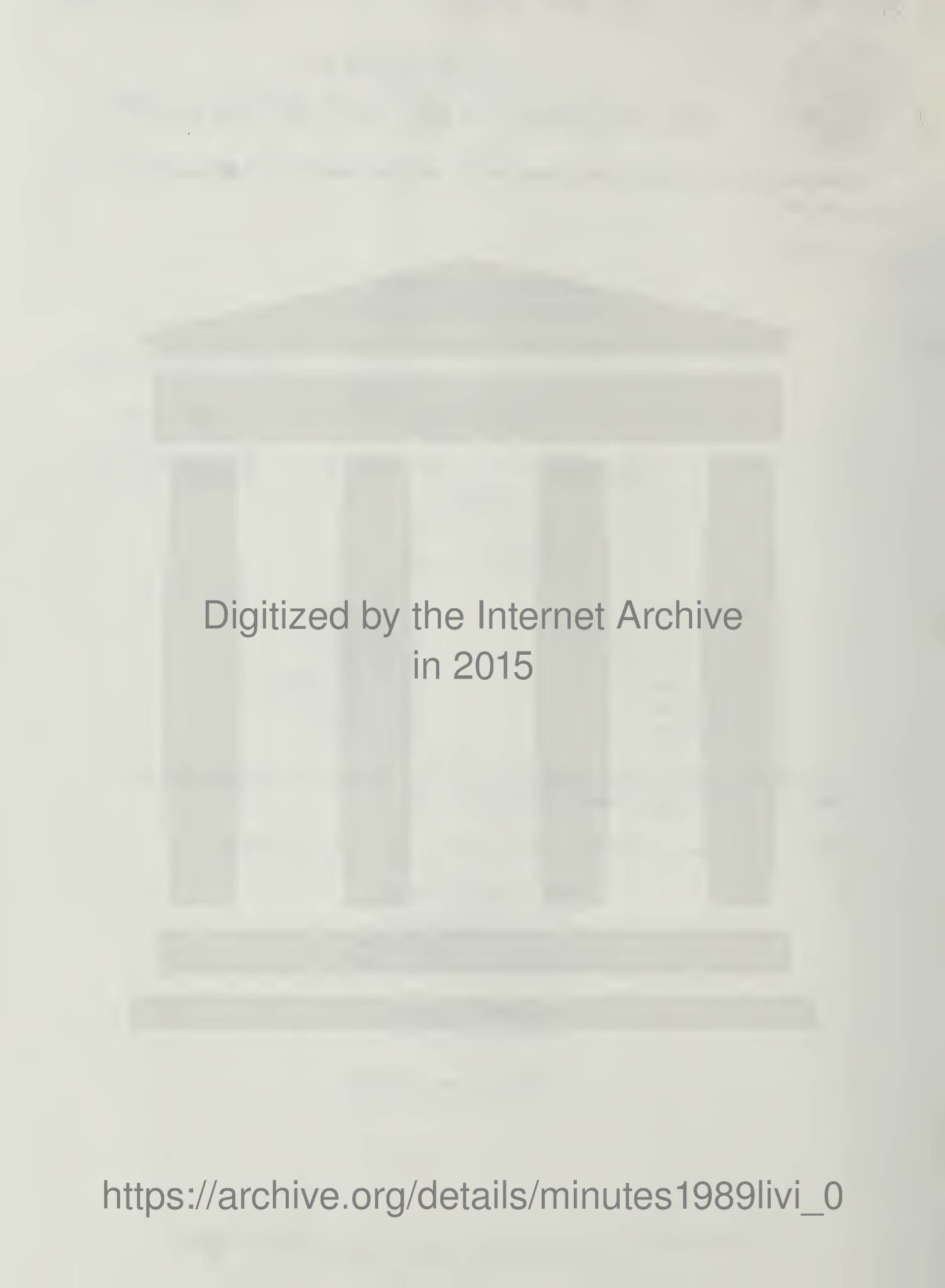
Task Force members unable to attend the meeting are requested to contact staff no later than noon on the Tuesday prior to the meeting.

The Task Force may be contacted through its Clerk, Steve Nelson, as follows:

Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6171 (Voice)
415-554-6177 (Fax)

steve_nelson@ci.sf.ca.us (E-Mail)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LIVING WAGE TASK FORCE

SEPTEMBER 2, 1999

MEETING AGENDA

1. Call To Order/Roll Call
2. Approval of Minutes
3. Open Invitation to Supervisor Tom Ammiano (DISCUSSION ITEM)
4. What are the areas of greatest concern or support for a Living Wage? (DISCUSSION ITEM)
5. Proposed Property Contract Exemptions (ACTION ITEM)
6. Presentation by Local 2
7. Report on Economic Impact Study (DISCUSSION ITEM)
8. Timing of Task Force Deliberations (ACTION ITEM)
9. Task Force Recommendations on Living Wage Ordinance (ACTION ITEM)
10. Public Comment
11. Adjournment

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Disability Access

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DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
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"Revised"

Living Wage Task Force
City and County of San Francisco

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LIVING WAGE TASK FORCE

SEPTEMBER 2, 1999

MEETING AGENDA

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   A. What are the areas of greatest concern or support for a Living Wage?
   B. Proposed Property Contract Exemptions
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TO: Living Wage Task Force
FM: Calvin Welch
RE: Proposed Property Contract Exemptions
26 August 1999

In our discussion of the property contract section of the proposed Living Wage Ordinance we have identified four areas where the imposition of the proposed ordinance seems to be at cross purposes with other City policies. These four areas are:

1. Situations in which property contractors pay for the maintenance and repair of key City owned facilities and the users are required to pay "market rate" lease payments in addition to meeting these maintenance and repair requirements;

2. Situations in which small women and minority owned businesses are effected;

3. Situations in which small, local owned businesses are effected;

4. Situations in which property contracts are issued to provide services and permanently affordable housing opportunities to low income San Franciscans and are thus prohibited from passing on operational cost increases to the end users.

In order to address these concerns the following language is recommended for inclusion in our report to the Board of Supervisors.

" Amend the proposed ordinance to achieve the following exemptions for the Property Contract portion of the ordinance:

1. Any property contract which require both the payment of market rate rents and the requirement that the contractor make all repair and maintenance payments on the City's property.

2. Any property contract which is issued to a bonafide women or minority owned business in which 30 or fewer employees are employed on the property.

3. Any property contract to a locally owned small business in which 30 or fewer employees 30 are employed on the property.

4. Any property contract acquired with Community Development Block Grant Funds and/or City loans or grants for the acquisition, rehabilitation or new construction of property for permanently affordable housing in which City or Federal requirements are imposed which limit the use of such property to principally benefit extremely low, very low, low and moderate income persons.

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Living Wage Task Force

Minutes for Meeting of September 2, 1999

Members Present
Patricia Breslin
Bruce Cahill
Bruce Fisher, Vice Chair
Jim Illig, Chair
Nanoshka Johnson
Rolf D. Mueller
Calvin Welch
Earl H. White
Bill Wilkinson
Kent Woo

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Members unable to attend
Kim King
Lucia M. Rodriquez

Staff Present
Rachel Arnstine-O'Hara, Clerk to the Task force
Mario Kashou, Deputy City Attorney
John Clark, Legislative Analyst's Office

The meeting was called to order at 9:40 am.

Rachel Arnstine-O'Hara reported that the union that commissioned the Binder poll on the Living Wage was considering the Task Force's request to release the full report on the poll along with the questions asked. The SPUR policy paper on the Living Wage Ordinance.

John Clark informed the task force that property phase of Mr. Reich's study would be submitted around September 15, 1999.

Presentation by Local 2

Ms. Toto, Secretary/Treasurer for Local 2, informed the task force that their members comprise mainly of hotel workers. The consensus in Local 2 is that the Living Wage Ordinance should not include a tip provision, for restaurant worker, because no other city covers it under their Living Wage Ordinance.

Mr. O'Conner, an organizer for Local 2, reiterated that the Union is against Tip Credit provision in the Living Wage Ordinance. He feels that it is important that this task force

be made aware of the effects of including a tip provision into the Ordinance. The Living Wage Ordinance is being created to help employees by providing them with a livable income; a tip credit within this ordinance will only regress employees into possibly receiving sub-minimum wages. He discouraged San Francisco from being the leader in putting the Tip Credit Provision into its Living Wage Ordinance.

Members asked question about the various wages and classifications in the hotel industry.

Mr. Calvin Welch inquired about the possibility of exempting collective bargaining issues as it relates to Living Wage Ordinance. He also reminded Mr. O'Connor that the Tip Credit issue is not in the current Living Wage Ordinance.

Mr. O'Connor reminded the members that in their data analysis it is important that they consider the fact that most employees in the restaurant industry usually work 20-25 hrs per week.

Task Force Recommendations on Living Wage Ordinance

Calvin Welch stated his support for San Francisco to have a Living Wage, but cannot support the current Living Wage Ordinance as drafted. He believes the lowest paid people should receive a living wage, without major cost to the city. His chief concerns have to do with issues of coverage, equity, and enforcement, and the application of the ordinance to non-profits. He is troubled by the hypocrisy of contracting out services because they are cheaper, and then demanding that workers be paid the living wage. The current ordinance is silent on the issue of administration and funding of the Living Wage Ordinance, and this he found unacceptable.

Brian Cahill stated that he was still struggling with the issue of coverage in the ordinance. He feels that it is to the advantage of non-profit organizations that they be covered by the Living Wage Ordinance. He added that non-profits organizations should be exempted under Living Wage Ordinance, if the city is unable to support them financially.

Bill Wilkinson stated that the concept of a Living Wage should definitely be addressed in San Francisco. The present ordinance needs to be worked on, and property contracts need to be left out of the Living Wage Ordinance. On the issue of the effect of the Living Wage Ordinance on the city's medical costs to its indigent citizens, Mr. Wilkinson feels that the task force needs to pay attention to the reports given by the medical community. He added that he could support Living Wage in San Francisco, but he would rather see a citywide minimum wage. He was in support of the implementation of the ordinance in phases to curb the possible costs related to the ordinance, thereby ensuring the survival of the ordinance. He feels that San Francisco's Living Wage should be about $8 or $8.50/hour instead of the recommended $11/hour. He is against paying employees an extra $1.50/hour, because employers do not offer health benefits. His reasoning stem from his belief that the employee would not use the extra income to cover their health

needs, instead he suggested that a way be devised to encourage the employer and the employees to enroll in the city's health plan. He believed that tinkering with a free economy is generally not good, and the existing Living Wage Ordinance is politically driven. He is concerned about the Living Wage Ordinance being a disincentive to businesses in San Francisco. He believes the city should provide the funding for non-profit contractors, but there should be no exceptions or waivers.

Bruce Fisher agreed with comments made by preceding members and announced that he is support of anything that will increase pay and health benefits for employees. He agrees that the present ordinance needs a lot of work because it is too broad. On the issue of the non-profits, he feels that they must be included in the ordinance but some exemptions should be provided for them. He wants more discussions on the issue of service contracts, and the phasing in of the $11/hour pay stipulated for Living Wage. Finally, he is against the creation of an expensive bureaucracy to administer this ordinance.

Jim Illig presented a written summary he prepared of "Elements of a Viable Living Wage Ordinance" that could pass the Board of Supervisors and not require a massive new bureaucracy to administer. It would be a limited bill with a 2-year phase-in period that covers for-profit contractors when put out to bid, non-profit contractors with identified funding from the city, and concessionaires, but not tenants on city property. The threshold for compliance would be high, and the wages would start at San Jose's level of $9.50/hour, with an extra dollar per hour for those without health benefits. Administrative oversight of department contracting would be through a new unit in the Department of Administrative Services, and an evaluation of the effect of the ordinance would be ongoing.

Patricia Breslin stated that she spoke on behalf of herself and the Golden Gate Restaurant Association. She stated that she will not support the inclusion of property contracts into the Ordinance and gave her reasons. She believes that a "piece-meal" exemption system will not work because it sets the ordinance up with unfair conditions. Finally, she is in full support of phasing in the ordinance and providing funding to non-profits or they are exempt.

Rolf Mueller stated that he was in favor of supporting a Living Wage, but he cannot support the present ordinance. The present ordinance he described as unclear and unfinished with amendments being made as we speak. He sees no reason for the city of San Francisco not to have a Living Wage, and is very concerned about the effect that this ordinance will have on small businesses. On the issue of small business exemptions, he wants the ordinance to refer to the IRS definition of the small business (less than 500 employees), and exempt these businesses and property leaseholders.

Nanoshka Johnson stated that it was a good time to have a living wage in San Francisco. She still has a handful of concerns about the ordinance, which includes coverage, because the present ordinance does not even cover most San Francisco citizens. She feels that this ordinance will affect the sense of competitiveness within small businesses, and the legality of it will overlap preceding laws. She would like the threshold for all contracts to

be the same, and would like to see a more incentive based Living Wage rather than the mandated style of the present ordinance. She does not agree that the enforcement of this ordinance will be simple in any form, enforcement is a big issue and it should not be complaint driven. Cost and funding are some of her other concerns that she feels have a potential to be harmful to the ordinance.

Kent Woo agrees with most of the opinions that have preceded his. He agrees that there should be a Living Wage, but not in its present format. He is concerned about the non-profit issues and the present threshold of $25,000 being too low. He also agrees with phasing in the Living Wage Ordinance.

Earl White was in support of Living Wage in the city, but will not support the ordinance in its present form. He is in support of the creation of a Living Wage Ordinance that the city can afford. Because this ordinance will affect the city during times of economic depression and economic good times, the issue of the cost and administration of the Living Wage Ordinance should be taken seriously.

Members discussed items on the next agenda

Meeting adjourned 11:40 a.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
Mayor

STEVEN D. NELSON
Director

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Living Wage Task Force
City and County of San Francisco

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09-09-99

Notice of Meeting and Agenda

Thursday, September 9, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

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415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

SEPTEMBER 9, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Open Invitation to Supervisor Tom Ammiano (DISCUSSION ITEM)
4. Report on Economic Impact Study (DISCUSSION ITEM)
5. Timing of Task Force Deliberations (ACTION ITEM)
6. Task Force Recommendations on Living Wage Ordinance (ACTION ITEM)
   a. Proposed Property Contract Exemptions (ACTION)
   b. Task Force Members' Individual Proposals (ACTION)
7. Public Comment
8. Adjournment

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Living Wage Task Force

Minutes for Meeting of September 9, 1999

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Members Present
Bruce Cahill
Bruce Fisher, Vice Chair
Jim Illig, Chair
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Earl H. White
Bill Wilkinson
Kent Woo

Members unable to attend
Kim King
Nanoshka Johnson
Patricia Breslin

Staff Present
Rachel Arnstine-O'Hara, Clerk to the Task force
Mario Kashou, Deputy City Attorney
John Clark, Legislative Analyst's Office

The meeting was called to order at 9:35 am.

Approval of Minutes

August 26, 1999
Mr. Illig recommended an amendment to first paragraph that discusses Dr. Katz's report. The last line should state: "However he cautioned that a large health system like San Francisco General Hospital will have fixed costs, so there would be no significant savings at San Francisco General Hospital for a modest decrease in the number of patients seen there." Minutes of August 26, 1999 were approved as amended.

September 2, 1999
Mr. Fisher asked to amend the summary of his recommendations. The third sentence should state: "On the issue of non-profits, he feels that they must be included in the Ordinance, but he does not support exemptions for non-profits, instead, he feels that the City should increase contracts for non-profits to enable them to pay for Living Wage". Minutes to the September 2, 1999 meeting was approved as amended.

Chart on member's Living Wage opinions
Mr. Clark introduced a chart that represented a graphic illustration of the opinions of the members of the Task Force, based on the discussions at the last meeting. Members updated or corrected the chart where necessary.

Economic Impact Study
Mr. Clark reported that Dr. Potepan is on schedule to come before the task force on September 16, and have his study completed by September 30, 1999.

Members received a copy of the SPUR report on the Living Wage Ordinance and agreed to discuss it at the next meeting.

Regarding the Binder Poll, Ken Jacobs from the San Francisco Living Wage Coalition informed the members that in summary, 59% of the individuals polled supported the concept of a Living Wage while 33% were opposed to the concept. He added that the people of San Francisco understand what it is to live in this city, and are very sympathetic towards paying a livable wage. The individuals polled also have a strong support for the inclusion of non-profit organizations into the Living Wage Ordinance. He reminded the members that the poll was designed to find out what San Franciscans think of the ordinance, and that at the present time, there is no plan to put the Living Wage on an election ballot. He informed the members that the specific questions asked for the Binder Poll would not be released to the public.

Mr. Wilkinson moved that the Binder poll be disregarded due to the lack of full disclosure.
Mr. Illig suggested that this action be put on the agenda of the next meeting, since it was not noticed for a vote at this meeting.

Timing of Deliberations
Mr. Clark informed the members that the Board of Supervisors is considering the appointment of Richard L. Martin, of Goodwill Industries, to the "low-wage worker" seat on this task force. The full Board cannot consider this appointment until their October 4th meeting.

Task Force Recommendations
The Chair asked Mr. Welch to explain his written "Proposed Property Contract Exemptions", and then each member would discuss concerns about this proposal, and present their own ideas for the ordinance. (Most members presented written summaries of their proposals, which are attached to these minutes.)

Calvin Welch believes that just because no other Living Wage Ordinance in the United States covers property contracts, that does not mean that San Francisco cannot include them in its own ordinance. He is more concerned about conflicts with other established social policies of the City, such as the MBE/WBE/LBE preference, developing low-income housing, and using Port revenue to maintain the Port's infrastructure. He is not in

favor of exempting all property contracts, but explained the specific exemptions in his written proposal.

Bruce Cahill agreed that all affordable housing and WBE/MBE businesses should be excluded from the Living Wage Ordinance. He thinks that all property contracts should be initially excluded from the ordinance, but the costs and benefits of including them should be studied within a two-year period.

Bill Wilkinson feels that all property contracts should be excluded, and no special exemptions should be granted for any businesses within the ordinance.

Bruce Fisher agreed that the issue at hand is very complex. He stressed the importance of differentiating between entities that receive money from the city, and those that pay the city. He believes that including property contracts into the ordinance could reduce the value of city owned property, therefore it should be excluded. He added, however, that if property contracts are included, no categories should be excluded.

Jim Illig agreed with Mr. Welch that the present ordinance conflicts with other social policies. He recommends starting with limited coverage for this initial Living Wage Ordinance, and expanding the scope later after the effects are known. He believes that all property contracts should be excluded, and non-profits should be included only if the City can certify that there is money in the City budget for all nonprofit contractors to pay the living wage.

Rolf Mueller would like the definition for small businesses kept at 50 or less employees, and would recommend excluding these businesses. He informed the members that he would vote to eliminate property contracts from the ordinance.

Lucia Rodriquez agrees that property contracts should be initially excluded from the ordinance, but should be reviewed periodically. She supports the exclusion of small businesses.

Kent Woo and Earl White agreed with much of what was said by other members, and stated their support for excluding property contracts.

Mr. Welch chose not to put his proposal into a motion for a vote at this meeting.

Mr. Cahill then made a motion that:
1) For-profit service contractors should be included with an agreed upon threshold for small businesses;
2) Property contractors should be initially excluded, but with specific language in the ordinance that would require a review within two years to consider inclusion of property contracts which do not require both the payment of market rate rents and the responsibility for all repair and maintenance of City property, as well as a review of including banks, investment firms, purchasing contractors, and landlords doing business with the City;

3) Non-profit housing contractors would be exempted (as defined in Mr. Welch's point #4)
4) All other non-profit service contractors would be covered on the condition that the Controller would be required to certify, in each annual budget appropriation, that there are funds available in each department to fund the Living Wage for employees paid through contracts with non-profit agencies. There would be no threshold for compliance for non-profit organizations.
Mr. Welch seconded the motion.

There was extensive discussion on the motion made, and members agreed that this idea is a "work in progress"; the concepts could change as deliberations continue. On that assumption, members voted 7-1 in favor of the motion, with one abstention. Since the motion did not have 8 favorable votes, it cannot be considered a formal recommendation of the Living Wage Task Force.

At the next meeting, members will continue discussing individual's proposals for Task Force recommendations.

Meeting adjourned at 11:35 a.m.

Elements of a Viable Living Wage Ordinance

9-2-99

Jim Illig

Context:

The following are ideas for an initial, limited Living Wage Ordinance that could win the support of the majority of the Board of Supervisors, and not require a new massive bureaucracy to administer. This would be a bill that focuses on specific sectors of the City's nonprofit and for-profit business partners, with a 2-year phase in period during which its economic effects would be evaluated. At the end of that period, the Board of Supervisors could choose to extend or modify the coverage and wage levels.

While the ordinance would require compliance by certain businesses, this limited mandate would be the core of a new City policy that would encourage all businesses in the City to pay their workers "a living wage."

Coverage:

1. For-Profit Service Contractors -- contracts that are renewed or put out to bid after the effective date would require payment of the living wage to the employees performing the contract service. If the current contractor cannot comply and/or there are no bidders at a certain contract level, the contracting department would have to increase the amount of money available for the service contract.
2. Nonprofit Service Contractors -- the Controller would be required to certify in the Annual Appropriations Ordinance that there is money set aside in each department's budget to fund the living wage for employees paid through contracts with nonprofit agencies, or nonprofit service contracts would be excused from mandatory compliance with the ordinance.
3. Concessionaires -- businesses that sell goods or services to the public on City-owned property who do not have a lease with the City for exclusive use of that property would be covered, and the employees working more than 10 hours per week on that property would have to be paid at least the living wage.

Threshold for Compliance:

1. For-profit businesses with service contracts that exceed $50,000 per year, or concession permits, and over 100 total employees.
2. Nonprofit organizations with service contracts that exceed $250,000 per year, and over 100 total employees.

Wage Level:

1. In the first year, $9.50 with health coverage or $10.50 without.
2. In the second year, $10.50 with health coverage or $11.50 without.

Time Off Requirements:

1. 12 days/year of paid time off (holidays, vacation, sick or personal days).
2. 10 days/year of unpaid time off.
3. Both paid and unpaid time would only be available after 6 months employment, and be reduced pro-rata for part-time employees.

Administration:

1. Contracts above the threshold would include a statement of compliance by the contractor that covered employees will be paid at least the living wage, and a statement to that effect will be given to each covered employee and kept in the personnel file.
2. Department contract managers would monitor compliance with this living wage requirement as they do now with all other city contracting requirements. A small unit of the Dept. of Administrative Services would be responsible for assuring consistent application by all departments, and investigating complaints.
3. Enforcement would be through the contract monitoring process or complaints by employees. There would be no right of private action by employees or interest groups.
4. Waivers would be considered by the contracting department based on hardship, sole source needs, etc., and approved or rejected by the Dept. of Administrative Services compliance unit.

Evaluation:

The Department of Administrative Services and the Purchaser would monitor the competitiveness of the bidding process and changes in employment practices that result from implementation of this ordinance. The ordinance would be formally reviewed at the end of each of the two phase-in years to evaluate the success of the ordinance based on the following criteria:

1. Effects on the lowest-paid workers -- whether the measure increases their standard of living, health care access, etc.
2. Effects on nonprofit and for-profit contractors -- productivity, turnover, competitiveness, viability, etc.
3. Effects on city government -- overall costs, savings from publicly-funded health care and welfare services, increased taxes from expanded economy, etc.

Kent Woo

RECOMMENDATIONS ON LIVING WAGE ORDINANCE
As Stated September 2, 1999

General

- In favor of living wage concept, but not this ordinance as it is proposed
- In favor of a narrow inclusion to start, perhaps broaden in subsequent years
- In favor of phasing in wage increase incrementally over, say, two to three years
- In favor of streamlining thresholds, etc. with existing City legislation such as Sunshine Ordinance
- Greatest concern is around impact on City's non-profit organizations

Coverage Of Non-Profits

- In favor of exempting non-profit organizations
- If no exemption for non-profits, then higher thresholds for inclusion—say, $250k and 75% City funding

To: Jim Illig, Chair/LWTF
From: Lucia M. Rodriguez
Date: Sept 1, 1999
Re: Living Wage Recommendations

The following is a very brief review of my current recommendations regarding a living wage for the city and county of San Francisco.

- I support a wage ordinance that addresses the need for an adequate basic benefits package (health/dental/vision/life) in addition to an hourly rate that would be comparable to other Bay Area cities and/or counties. I believe that a cash equivalent will not help to relieve the problem of uninsured workers and the burden it creates on city/county government.

- The ordinance should be designed as incentive based rather than be punitive or have a disincentive bent. The administration should be simple and not cause financial hardship to the city and county. A simple well-crafted ordinance would eliminate the need for countless exemptions by various contractors. In keeping with the idea of low cost management, property contracts should not be included because the variance and nature of the leases would prove difficult and expensive to administrate. (No other city includes property contracts as proposed in the current ordinance.)

- To assure greater support, compliance and participation a phase-in plans of three to five years should be considered. Review of the ordinance's impact should be ongoing.

- The costs related to an increase in wages may adversely effect the small business community. All costs that are tied to wage rates would be impacted. Workman's Compensation Insurance, General Liability Insurance, the City and County of San Francisco's Gross Receipts and Payroll Tax are all tied to wages. Only businesses that choose to contract with the city/county should be impacted. The trigger point for the ordinance should be tied to the size of the company (number of employees and gross receipts) and value of the contract. Whether or not we should follow the IRS definition should be studied further.

- If the city/county contracts with non profits to help provided services at low costs yet would like to ensure that those contracted hours are compensated with a living wage and benefits package then this part of the ordinance should be funded by the city/county. The costs should not be borne by the small non profit providers. The financial impact to the city could be substantial. Would the increase in expense to the city/county result in a future overall cutback of social and medical services to the people who could least afford it? Certainly the larger well-funded organizations should cover their costs just as a for profit would be expected to. Perhaps a formula could be developed that would help to set the point that the ordinance would be enforced relative to the scale of contract size, percentage of total budget, number of employees on the contract, size of organization (total budget and number of employees).

- The current ordinance as drafted is too broad and leaves far too many policy questions unaddressed and unanswered. If the intent of the proposed ordinance was to cast a net that would capture as many potential participants as possible then it seems that the small fry would be brought in at disporportionate levels while at the same time it would let the big catch escape through big holes in the net. The ordiance if nothing else must be fair and balanced and serve the good of the total community above all else.

William Wilkinson
Living Wage Notes
September 2, 1999

* Background
  I support free markets—the market is the best determinant for wages. Given a free market, demand will raise wages. Skills will be rewarded. There is little evidence that minimum wages or "living wages" have significantly altered the proportion of people at the low-end of the economic ladder.
  No evidence to date has demonstrated the efficacy of living wage ordinances in other communities where implemented. All employees have access to union representation—wages can be bargained for. The market works.

* Progressive Politics
  The realities of San Francisco's progressive politics call for some sort of living wage program. The proposed—but unexplained and undefended ordinance of Supervisor' Amiano is the most extensive, comprehensive and expensive ordinance in the country. I cannot support the existing legislation, which has been delivered with neither goals nor explanation other than—"other cities are doing it", "people need more money". San Francisco should be smarter. Examine other alternatives.

* San Francisco's Minimum Wage
  My first preference is a simple city and countywide minimum wage universally applied of $6.50 per hour with benefits, $8.00 without ($6.50 for the employee, $1.50 to city and county to provide medical insurance). No special qualifications, no exceptions, no exemptions, no waivers. Enacted by supervisors, changed by voters. Simple. Subsequent increases could be phased in. Most significant achievement—universal health coverage.

*Support for Targeted Plan
  If the political is not there for universal minimum wage, I believe the City could consider a targeted approach, phased in over time.

  Key elements would include:
  Coverage
  1. All for profit service contracts 1st year
  2. All non-profit service providers 2nd year
  3. All providers of goods and services 3rd year

  Wage Level with Medical Insurance Benefits

1.	1st year	$8.00
2.	2nd year	$8.75
3.	3rd year	$9.50
4.	4th year	$10.25
5.	5th year	$11.00

Continuation of Support for Targeted Plan

If benefits are not provided, contractor or service providers to pay city $1.50 per hour per employee. City to provide medical health coverage.

Exceptions, Exemptions, Waivers---None
City must fund all contracts.

Observations/Concerns: A living wage should be considered in some context.

1. The system works today without this needless legislation.
2. The Goldrush economy has created small/negligible budget surpluses.
   A slight dip in the economy will put enormous pressures on budgets.
   If city cannot fund wage increases for non-profits, services will be cut for the most needy sector of our population.
3. Costs—to be determined—must be determined.
4. City has limited resources and significant challenges. Muni and homeless come to mind. Allocation of resources to living wage for workers may limit funds for other sectors.
5. The most daunting problem for SF public health/hospitals, is the uninsured in the general population. The blue ribbon panel should be supported.
6. The five-year clock on Federal welfare funding for individuals is ticking away. In 2 more years, many of the least skilled, chronically unemployed will require general assistance without federal funding. How will we pay?
7. Mandated wage levels can result in un-intended consequences. Entry level, low Skill jobs could be driven from the city leaving low wage, unskilled workers without opportunities.
8. Other vehicles such as EITC may in fact accomplish goals of money where needed at less cost to city. Protecting our resources.

The above represents the comments delivered to the Living Wage Task Force 9/2/99.

Respectfully submitted,

William F. Wilkinson

Living Wage Statement from Patricia Breslin as a representative of the Golden Gate Restaurant Association

- The Golden Gate Restaurant Association supports a living wage for service contractors that have a contract with the City, including non profits, if the City provides funding for the additional costs mandated by a living wage ordinance. If funding is not included in any given year, the affected contractor should not have to pay the mandated wage.

- If the City chooses to fund a living wage for service contractors, it will need to rely on a robust hospitality industry tax base to pay for that extra funding each year.

- Philosophically, the GGRA cannot support the inclusion of property contracts in any living wage legislation for the following reasons:

  1. There exists a fundamental difference between businesses that receive a check from the City to perform a service, and property contractors that write the City a check for the lease of that property.

  2. There exists a fundamental difference between service contractors that receive their money from the City and property contractors that rely on the public for their revenue.

  3. Further, the City can decide to increase its payments to service contractors to cover a higher wage. A property contractor forced to pay a higher wage would be forced to either raise prices or lay off employees to cover the mandated wage increase.

- Philosophically, the GGRA opposes exempting some property contractors and not others. It also opposes a selective exemption for the following reasons:

  1. Administration and enforcement of a piecemeal exemption would be unwieldy and almost impossible to administer.

  2. A piecemeal exemption would set up unfair competition between property contractors who are covered and those who are not. Those covered under a living wage ordinance would be forced to pay higher wages or lay off employees, putting them at a competitive disadvantage with other similar businesses that are not covered.

- Any living wage legislation should begin small to determine who exactly will be affected and to ensure that the ordinance will not harm those people it seeks to help.

TO: Living Wage Task Force
FM: Calvin Welch
RE: Statement
9 September 1999

I support the passage of a Living Wage Ordinance. I cannot support the present ordinance without amendments, for, as drafted, the measure fails to address the needs of non-profit service providers, exempts key for- profit businesses doing substantial business with the City and does not address important questions regarding its enforcement.

The 30,000 or so workers assumed to be assisted by a Living Wage proposal is less than half the number of low and fixed income people which will not be touched by such an ordinance. These low income residents are deeply dependent upon the web of services provided in San Francisco by non-profit service contractors. Proposals to assist employed people must not pit them against even poorer people.

In addition to a set of recommendations regarding amendments to the current Living Wage Ordinance I urge the Task Force to also make recommendations to the Board regarding the creation of a City Health Plan available to small businesses and non-profits which provides health coverage to people currently without insurance.

LIVING WAGE POLICY THOUGHTS

(Bruce Fisher, Executive Director, Huckleberry Youth Programs)
September 9, 1999

1. Generally, support a reasonable effort to promote higher wages for lowest income workers and to promote health insurance for low income employees.

2. Very concerned about applying law to non-profit social and health service providers. Do not support the "waiver process" in current draft. Support the idea that city contracts must be increased to allow non-profits to pay any mandated living wage.

3. Believe we should urge continued study/analysis of:
   - ❖ Raising minimum wage in San Francisco
   - ❖ Creating earned income credit for poor San Francisco families
   - ❖ Creating health insurance pool for small business

4. As to living wage – concerned that it does not apply to some big service contractors – banks and securities firms

5. I think the city can mandate service contractors to pay a certain minimum wage – but it must be reasonable. Should be phased in over several years and should max out at $10 with benefits. Should start at $8.50 with benefits.

6. Trainee exemption should be expanded in scope and in length – at least 12 months, maybe 18 months with bona fide requirement and retention requirement.

7. Undecided as to lessee's – believe airport is special case. Would support requirement in new leases.

8. Self-policed by contractors, with administrative complaint process created for individual employees who believe they did not receive minimum wage.

9. Not create complex and expensive administrative oversight/monitoring/enforcement.

10. Do not believe it should apply to "tipped" waiters, waitresses, etc., but I understand union's opposition to tip credit generally.

LIVING WAGE ORDINANCE
9/9/99

1. For-profit service contractors would be covered with an agreed upon threshold for small businesses.

2. Property contractors would be initially excluded, but with specific language in the ordinance that would mandate a review within two years of property contracts which do not require both the payment of market rate rents and the responsibility for all repair and maintenance of City property, as well as a review of banks, investment firms, purchasing contractors, and landlords doing business with the City.

3. Non-profit housing contractors, as specified in Calvin Welch's August 26, 1999 proposal, would be exempt.

4. All other non-profit service contractors would be covered on the condition that the Controller would be required to certify in each annual budget appropriation, that there are funds available in each department to fund the Living Wage mandate for employees paid through contracts with non-profit agencies. There would be no threshold for compliance for non-profit organizations.

5. Living Wage would be phased in, with a first year requirement of $9.50 per hour with health coverage or $10.50 without; in the second year, $10.50 per hour with health coverage and $11.50 without.

6. Enforcement would be complaint driven.

Brian Cahill

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
Mayor

STEVEN D. NELSON
Director

/99

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Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, September 16, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

Task Force members unable to attend the meeting are requested to contact staff no later than noon on the Tuesday prior to the meeting.

The Task Force may be contacted through its Clerk, Rachel Arnstine O'Hara, as follows:

Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

SEPTEMBER 16, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Report on Economic Impact Study (DISCUSSION ITEM)
4. Open Invitation to Supervisor Tom Ammiano (DISCUSSION ITEM)
5. Timing of Task Force Deliberations (ACTION ITEM)
6. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)
7. Public Comment
8. Adjournment

Disability Access

The Living Wage Task Force meeting will be held in Room 416 at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, between Grove and McAllister Streets.

The meeting location is wheelchair accessible. The closest BART and Muni Metro Station is Civic Center, about three blocks from the meeting location. Accessible Muni lines nearest the meeting location are: 42 Downtown Loop, 49 Van Ness-Mission, F-Market and Muni Metro (Civic Center Station). For more information about Muni accessible services, call (415) 923-6142.

There is accessible on-street parking available in the vicinity of the meeting location.

For assistance with special needs (large print agendas, sign language interpreters, etc.) call Steve Nelson at (415) 554-6171.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at (415) 554-6171.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (Administrative Code Section 16.520-534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, contact the Ethics Commission at 1390 Market Street, Suite 701, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-1021, or visit their web site at http://www.ci.sf.ca.us/ethics.

Living Wage Task Force

Amended Minutes for Meeting of September 16, 1999

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nded

Members Present
Bruce Cahill
Bruce Fisher, Vice Chair
Jim Illig, Chair
Rolf D. Mueller
Lucia M. Rodriguez
Calvin Welch
Kim King
Nanoshka Johnson
Kent Woo

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Members unable to attend
Patricia Breslin
Earl H. White
Bill Wilkinson

Staff Present
Rachel Arnstine-O'Hara, Department of Administrative Services
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services

The meeting was called to order at 9:35 am.

Approval of Minutes of September 2, 1999.

Mr. Mueller asked that his statement on page 3, be changed to reflect that he would like the definition of a small business kept to businesses with 500 or less employees. Minutes to the September 2, 1999, meeting were approved as amended.

Report on the Economic Impact Study

Professor Potepan informed the task force that data collection has been completed for the nonprofit and for-profit service contracts, using information from government studies, City departments, and the survey of contractors; what is left is mainly analyzing the data for the city's leaseholders. He informed the members that over 1000 surveys were sent out to the City's tenants, with about 25% responding (of which 2/3rds were Port tenants). He reported that he received excellent cooperation from City departments in gathering data. He also discussed the types of methods employed to collect and analyze the data received, and added that the study was on schedule to be finished at the end of September.

The Chair informed Prof. Potepan that the members have discussed various levels of coverage and the possibility of excluding some sectors that Sup. Ammiano's ordinance includes. He asked if the study would identify costs associated with various levels of coverage and business sectors. Prof. Potepan responded that his analysis is based on the present Living Wage Ordinance as written by Supervisor Ammiano, but certain costs can be isolated. Other members asked about inclusion of costs that seemed to be missing from the UC Berkeley study and inquired about how the costs of administration would be determined. Prof. Potepan said that he had contacted other cities with living wage ordinances to get an idea of what those laws cost to administer.

Timing of Deliberations.

The schedule of meetings for October was discussed, with members agreeing to extend the times of the regularly scheduled Thursday meetings and possibly adding extra meetings if needed.

Members of the task force agreed upon the following sequence for release and presentation of the study:
1) Prof. Potepan will inform Administrative Services staff when the study will be finished.
2) A press conference will be scheduled, ideally on a Tuesday, to release copies of the study (or at least the executive summary) and to announce that the Living Wage Task Force meeting on the following Thursday will include a presentation of the study by Prof. Potepan and a public hearing. Members were asked to keep their comments on the study till the public hearing. The message will be: come to the Task Force meeting to learn about the research and comment on the findings.
3) Subsequent meetings of the Task Force will include extended periods for public comment on the study.

Task Force Recommendations on the Living Wage Ordinance.

Ms. Rodriguez asked that the member opinion chart be updated with the new written recommendations submitted by the members. Ms. Johnson and Mr. White agreed to put their own ideas in writing.

Mr. Cahill asked the members to consider the issue of defining and including concessionaires. John Clark explained that the concept was first defined in the Los Angeles City ordinance as a way of including those doing business at LAX. Concessionaires would include anyone providing a service on city property without holding a lease, e.g., the baggage handlers, security guards, and See's Candy cart attendants at SFO. Members discussed this issue with reaching a consensus.

Mr. Fisher wanted to discuss the costs associated with the implementation of the Living Wage Ordinance, and possible revenue sources. He felt that it was necessary to discuss whether the ordinance should require identifying potential sources of funding.

Mr. Illig noted that the September 3rd position paper from SPUR also discusses the need to identify funding sources. Mr. Welch described the SPUR paper as pernicious, because it focuses only on service contractors and the need to find funding for them, while ignoring the issue of extending the coverage to businesses that receive an economic benefit from the City and can afford to pay the living wage. Mr. Illig disagreed, stating his belief that the living wage movement across the country is about paying decent wages to those who do the city's work -- service contractors.

Ms. Rodriguez suggested that instead of looking for additional revenue sources, departments that contract out should include the costs associated with the Living Wage Ordinance in the costs of doing business when they prepare their department budgets.

Mr. Welch agreed that it is important that costs be identified because the new expense associated with the Living Wage Ordinance will be significant, but he does not believe that this body should take on the task of making recommendations to the Board of Supervisors about what revenue sources they should use to cover the costs of the Ordinance.

Mr. Fisher stated his belief that there is consensus about phasing-in the wage level over several years, and Mr. Cahill noted that most members agree that the Controller should certify that there is money in the City's annual budget to pay the living wage for nonprofit service contractors. Mr. Woo asked about what would happen in bad economic times, when there would not be sufficient money to subsidize the nonprofits? Employers can't cut an individual's wage because they City has the money one-year and doesn't have it the next. Mr. Welch pointed out that the City's contracts with the civil service unions do not link wage levels with the City's ability to pay -- that is assumed.

PUBLIC COMMENT

Mr. Robert O'Mally spoke in support of members discussing possible revenue sources for the Ordinance. He believes that the City could definitely afford a Living Wage Ordinance with aggressive tax collection and a shift in spending priorities. He urged the members to focus on identifying how the ordinance will be administered.

Meeting adjourned at 11:30 a.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

99

Living Wage Task Force
City and County of San Francisco

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Notice of Meeting and Agenda

Thursday, September 23, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

Task Force members unable to attend the meeting are requested to contact staff no later than noon on the Tuesday prior to the meeting.

The Task Force may be contacted through its Clerk, Rachel Arnstine O'Hara, as follows:

Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

SEPTEMBER 23, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Report on Economic Impact Study (DISCUSSION ITEM)
4. Open Invitation to Supervisor Tom Ammiano (DISCUSSION ITEM)
5. Timing of Task Force Deliberations (ACTION ITEM)
6. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)
7. Public Comment
8. Adjournment

Living Wage Task Force

Minutes for Meeting of September 23, 1999

Members Present
Bruce Fisher, Vice Chair
Jim Illig, Chair
Lucia M. Rodriquez
Calvin Welch
Kim King
Nanoshka Johnson
Kent Woo
Earl H. White
Bill Wilkinson

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Members unable to attend
Rolf D. Mueller
Bruce Cahill
Patricia Breslin

Staff Present
Rachel Arnstine-O'Hara, Clerk to the Task force
Mario Kashou, Deputy City Attorney
John Clark, Legislative Analyst's Office

The meeting was called to order at 9:55 am.

Report on the Economic Impact Study

John Clark informed the task force that the second part of Professor Reich's study is not ready yet.

The Chair informed the members that he received a call from Professor Potepan informing him that the information he provided at the last meeting about the 26 DPH contracts was not accurate. He will provide the correct information in the final report.

Rachel Arnstine-O'Hara, Department of Administrative Services, informed the members that Professor Potepan confirmed delivery of his completed study on Monday, October 4 when it will be distributed to the members of the Task Force. A press conference will be scheduled for Tuesday, October 5th at which the report will be distributed and public hearings will be announced. Prof. Potepan will be asked to present his findings on Oct. 7 and answer questions from Task Force members, followed by an extended period for Public Comment.

Discussion followed on the release of Potepan's study, and the format for the public hearings. Special meetings were scheduled October 7: 9:30 a.m. to 1:00 p.m., October 14: 9:30 a.m. to 12:00 p.m., and October 21: 9:30 a.m. to 12:00 p.m.

Members discussed summarizing the study, and the creation of a sub-committee to draft the necessary language that would reflect the recommendations of the Task Force members.

Timing of Deliberations

Members discussed the Board of Supervisor's request for recommendations 5 weeks after the study is presented, and the possibility of extending the deadline 5 more weeks, if needed. For the next meeting (9/30), John Clark was asked to develop a proposed table of contents for the Task Force's final report, and complete the grid listing the positions of individual Task Force members. Rachel Arnstine-O'Hara will research possible times and places for twice-weekly meetings in late October, early November.

The Chair announced that Richard Martin of Goodwill Industries had been recommended by the Rukes Committee for the low-wage worker seat on the Task Force. The full Board will vote on the appointment on October 4, and Mr. Martin can join the Task Force on October 7. Staff will provide him with minutes and handouts so he can be brought up to date on the Task Force's deliberations.

Task Force Recommendations on the Living Wage Ordinance.

Bill Wilkinson asked that the issue of health coverage be discussed as it relates to the Living Wage Ordinance. His recommendation is that the ordinance should not ask employers to pay the employee $1.50 extra/hour when the employer cannot provide health benefits for the employee. Instead, the employer should contribute that money towards a health benefit pool managed by the City. The Health Department's Blue Ribbon Committee is now investigating creating such a pool with city employees, retirees, and other uninsured workers.

Bart Duncan, Deputy City Attorney informed the members that there are many technical and legal problems to creating this pool and mandating participation, but he will check the feasibility of this proposal and report at the next meeting.

Mr. Fisher suggested narrowing the coverage to exclude part-time employees who worked less than 20 hours a week. There was discussion about ensuring that that any Living Wage Ordinance not create an incentive to hiring part-time help.

Ms. Johnson suggested that health coverage should not be mandatory unless the City has a solution to coverage for those workers who cannot qualify for their employer's health plan (e.g., because they work less than 20 hours/week). Discussion of these issues continued without finding consensus for a formal recommendation.

PUBLIC COMMENT

Mr. Robert O'Mally discussed his concerns about the part-time worker issue, announced that San Jose recently completed a study of its Living Wage Ordinance, and offered the suggestion that employers sign a "certificate of compliance" to pay their employees the living wage.

Meeting adjourned at 11:35 a.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

VILLIE L. BROWN, JR.
MAYOR

TEVEN D. NELSON
IRECTOR

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Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, September 30, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

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415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

SEPTEMBER 30, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Report on Economic Impact Study (DISCUSSION ITEM)
4. Open Invitation to Supervisor Tom Ammiano (DISCUSSION ITEM)
5. Timing of Task Force Deliberations (ACTION ITEM)
6. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)

    a) Consideration of report format and content (ACTION ITEM)

7. Public Comment
8. Adjournment

LIVING WAGE TASK FORCE

SEPTEMBER 30, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Report on Economic Impact Study (DISCUSSION ITEM)
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5. Timing of Task Force Deliberations (ACTION ITEM)
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    a) Consideration of report format and content (ACTION ITEM)

7. Public Comment
8. Adjournment

Living Wage Opinions
DRAFT 3

Name	Support Living Wage Concept?	Support Inclusion of Health Insurance?	Include Non-Profits?	Annual Controller Certification? (for NP coverage)	Include Leases? (w/ or w/o conditions)	Thresholds?	Wage Level?	Administration/ Enforcement a Major Concern?
Welch	Yes	Yes	Yes	Yes	Yes			Yes
Cahill	Yes	Yes	Yes	Yes	?			Yes
Wilkinson	Yes	Yes (but not cash)	Yes	No	No		8.50 to start	Yes
Martin	Yes							
Fisher	Yes	Yes	Yes	Yes	?			?
King	Yes	Yes (but not cash)	Yes		No	FP&NP:Y1 $200K, Y2 $100K, Y3 $75K, Y4 $50K	Y1: 8, Y2:9, Y3:10, Y4:11	Yes
Illig	Yes	Yes	Yes	Yes	Yes (as concessions)	FP: $50K/NP $250K/>100 emp.	Y1: 9.50/10.50 Y2: 10.50/11.50	Yes
Breslin	Yes		Yes	Yes	No			?
Mueller	Yes	Yes (but not cash)	Yes	Yes	No	IRS Small Bus. Definition		Yes
Rodriguez	Yes	Yes (but not cash)	Yes	Yes	No			Yes
Johnson	Yes	?	Yes	Yes	?	FP&NP: $250K and >50-100 employees	$7.50-8.00?	Yes
Woo	Yes	Yes	Initially Leave Out	Yes	No	$250,000		?
White	Yes	Yes	Yes	No	?			Yes

Living Wage Task Force

Report to the Board of Supervisors

November 9, 1999

The Living Wage Task Force:

Jim Illig, Chair
Bruce Fisher, Vice Chair

Patricia Breslin
NaNoshka Johnson
Richard L. Martin, Jr.
Lucia M. Rodriguez
Earl H. White
Kent Woo

Brian Cahill
Kim King
Rolf D. Mueller
Calvin Welch
Bill Wilkinson

Rachel Arnstine-O'Hara
Clerk

John D.R. Clark
Staff Liaison

Mario N. Kashou
Counsel

LIVING WAGE TASK FORCE
REPORT TO THE BOARD OF SUPERVISORS

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2. Thresholds
3. Wage Levels and Inflation Adjustment
4. Other Benefits
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5. Administration and Enforcement
6. Evaluation and Sunset Clause

IV. IMPACTS OF RECOMMENDATIONS AND CONCERNS

V. MINORITY REPORT

Some General Thoughts on Process:

1. "Consensus" requires all 13 members agreement.

2. "Recommendation" requires 8 votes (8/15)

3. "Majority Opinion" requires 7 votes (7/13)

4. "Minority Report" – This section can be deleted if no one wants one, if there's at least one member who wishes to write one, I'd include it.

5. Recommendation format:

   Maybe something like this:

ISSUE III-3-A: ***WAGE LEVEL***

Description: Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah. Blah, blah, blah.

Recommendation: The Task Force recommends a wage of **$21.50 per hour**.

Members Voting in Favor: Illig, King, Welch, Breslin, Woo, Mueller, White, Rodriguez

Members Voting Against: Johnson, Cahill, Martin, Wilkinson, Fisher

Living Wage Task Force

Minutes for Meeting of September 30, 1999

/99

Members Present
Bruce Cahill
Bruce Fisher, Vice Chair
Jim Illig, Chair
Lucia M. Rodriguez
Kim King
Nanoshka Johnson
Patricia Breslin
Kent Woo
Earl H. White
Bill Wilkinson

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Members unable to attend
Calvin Welch
Rolf D. Mueller

Staff Present
Rachel Arnstine-O'Hara, Department of Administrative Services
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services

The meeting was called to order at 9:40 am.

Approval of Minutes

September 23, 1999: Minutes were approved.

September 16, 1999

Mr. Fisher asked that some correction be made to his statement on the last paragraph of the second page, where it reads: "He felt that it was necessary to start..." He would like that line to state, "He felt that it was necessary to discuss whether the ordinance should require identifying potential sources of funding." The chair also added that Patricia Breslin was not present at the meeting that day. Minutes were approved as amended.

Report on the Economic Impact Study

John Clark was asked to update the member recommendation grid.

Mr. Clark informed the members that the Board of Supervisors turned down Mr. Richard Martin who was recommended by the Rules Committee to the full Board for the low-wage earner seat on this task force. Board President Tom Ammiano stated that Mr. Martin was not an actual low-wage earner, and is a resident of Daly City.

Mario Kashou, Deputy City Attorney, updated the members on the possibility of the creation of a city health plan pool for workers covered by living wage. Although federal law prohibits requiring employers to provide health insurance, the living wage ordinance could mandate that employers pay money to the city if they don't provide health insurance, and mandate that the city use these funds to purchase health insurance for employees without employer-provided coverage.

Rachel Arnstine, Department of Administrative Services, informed the members that staff had the opportunity to meet with Professor Potepan and his team. Professor Potepan will be unable to meet the contract deadline for completion of the study by today (September 30, 1999); instead he asked for an extension till Thursday, October 7, 1999. Members discussed this issue, and how it affects the timing of their deliberations. They also discussed the report format and how it should be presented to the task force.

Timing of Deliberations.

Bill Wilkinson proposed a motion to ask that Professor Potepan deliver the finished study by the afternoon of Wednesday, October 6, and upon delivery the study is distributed to all members of this task force, the Board of Supervisors and the Mayor. Professor Potepan should be invited to give his report at the regularly scheduled meeting on Thursday, October 7, 1999, which would be followed by a press conference. The next meetings on October 14, and October 21, 1999 will be scheduled as a public hearings on the report. The motion was seconded and approved.

The Chair informed the members that the Living Wage Coalition is planning a rally with religious leaders on the steps of City Hall on Tuesday, October 5th.

Task Force Member Recommendations on the Living Wage Ordinance.

John Clark asked for member input into the proposed outline for the final report. Members agreed to drop the "Minority Report" section, and instead include dissenting opinions for each recommendation.

Mr. Cahill suggested the task force revisit the issue of including concessionaires instead of tenants in the ordinance. Mr. Clark explained that the Los Angeles ordinance specifically targeted employees at LAX with their concessionare language. Members were interested in discussing categories of concessionaires to determine who should be covered under the ordinance. The definition of concessionaires as it relates to the Airport was discussed, dealing with the advantages and disadvantages to the businesses and their employees.

Ms. Rodriguez asked why the information requested about MBE/WBE employers was never presented to the task force. She and other members are concerned about the conflicting goals of the proposed ordinance and the MBE/WBE program to encourage small, local businesses owned by women and minorities.

Mr. Cahill reiterated that it was important that the ordinance contain incentives to encourage businesses to pay a living wage to their employees.

Public Comment

There was no public comment at this meeting.

Meeting adjourned at 11:25 a.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
Mayor

STEVEN D. NELSON
Director

/99

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, October 7, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

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The Task Force may be contacted through its Clerk, Rachel Arnstine O'Hara, as follows:

Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

OCTOBER 7, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Report on Economic Impact Study (DISCUSSION ITEM)
4. Presentation by Drs. Potepan and Murphy
5. Timing of Task Force Deliberations (ACTION ITEM)
6. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)

    a) Consideration of report format and content. (ACTION ITEM)

7. Public Comment
8. Adjournment

Living Wage Opinions
DRAFT 4

Name	Support Living Wage Concept?	Support Inclusion of Health Insurance?	Include Non-Profits?	Annual Controller Certification? (for NP coverage)	Include Leases? (w/ or w/o conditions)	Thresholds?	Wage Level?	Administration/ Enforcement a Major Concern?
Welch	Yes	Yes	Yes	Yes	Yes			Yes
Cahill	Yes	Yes	Yes	Yes	?	NP: $250K	9.50 to start	Yes
Wilkinson	Yes	Yes (but not cash)	Yes	No	No	None	8.50 to start	Yes
Fisher	Yes	Yes	Yes	Yes	?		Y1:8.50, Y2: 9.50, Y3: 10.50	Yes
King	Yes	Yes (but not cash)	Yes	Yes (also include for-profits)	No	FP&NP:Y1 $200K, Y2 $100K, Y3 $75K, Y4 $50K	Y1: 8, Y2:9, Y3:10, Y4:11	Yes
Illig	Yes	Yes	Yes	Yes	Yes (as concessions)	FP: $50K/NP $250K/>100 emp.	Y1: 9.50/10.50 Y2: 10.50/11.50	Yes
Breslin	Yes	Yes (but not cash)	Yes	Yes (also include for-profits)	No			Yes
Mueller	Yes	Yes (but not cash)	Yes	Yes	No	IRS Small Bus. Definition		Yes
Rodriguez	Yes	Yes (but not cash)	Yes	Yes	?		Average of San Jose and Oakland rates	Yes
Johnson	Yes	?	Yes	Yes (also include for-profits)	?	FP&NP: $250K and >50-100 employees	$7.50-8.00?	Yes
Woo	Yes	Yes	Initially Leave Out	Yes	No	NP: $250K		Yes
White	Yes	Yes	Yes	Yes	Yes			Yes

5

7/99

Living Wage Task Force

Minutes for Meeting of October 7, 1999

Members Present
Bruce Cahill
Bruce Fisher, Vice Chair
Jim Illig, Chair
Lucia M. Rodriguez
Kim King
NaNoshka Johnson
Patricia Breslin
Kent Woo
Earl H. White
Bill Wilkinson
Calvin Welch
Rolf D. Mueller

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Staff Present
Rachel Arnstine O'Hara, Department of Administrative Services
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services

The meeting was called to order at 9:40 am.

Approval of Minutes
September 30, 1999
The chair asked that Mr. Brian Cahill's name be corrected in the minutes.
Minutes were approved as amended.

Report on the Economic Impact Study

Dr. Brian Murphy and Dr. Michael Potepan, economists from the San Francisco State University, presented their Economic Impact Study to the task members. They provided a brief run down of the study starting with the four points that would set the content of the study. They urged everyone not to disagregate the numbers and figures analyzed in the study because the numbers could mean different things in different sectors, and could be easily taken out of context.

They explained that having a Living Wage in San Francisco is very expensive and should be looked at as an opportunity to help low wage earners earn a livable wage in San Francisco.

The economists went over the findings in the report, and explained how they got to their conclusions. Some of the items discussed included the effects of a Living Wage Ordinance on organizations, the wage push effect, indirect effects of wage increase like losses, layoffs, spillover effects, higher cost of labor, and finally the effect of city residents and its impact on services. Dr. Murphy and Dr. Potepan also went over the cost of the ordinance, and what was included. They discussed the enforcement and administration of the ordinance, by comparing what other cities have done. They included the effects of a phase-in process and what the city needs to pay attention to in monitoring the effect.

Task Force members asked questions that helped them clarify the study. Questions were asked on the data sources used, methodology, health coverage, source for funding, and possible loss of city revenue.

Public Comment
Ken Jacob, Living Wage Coalition, made comments about the assumptions made by the study, specifically the issues that had to do with workers covered by the proposed health benefit pool and the passthrough issue.

Meeting adjourned at 12:30 p.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, October 14, 1999
9:30 – 11:30 AM

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San Francisco, CA

Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

Task Force members unable to attend the meeting are requested to contact staff no later than noon on the Tuesday prior to the meeting.

The Task Force may be contacted through its Clerk, Rachel Arnstine O'Hara, as follows:

Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

OCTOBER 14, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Report on Economic Impact Study (DISCUSSION ITEM)
4. Public Comment
5. Adjournment

Living Wage Task Force

Minutes for Meeting of October 14, 1999

4/99

Members Present
Bruce Cahill
Bruce Fisher, Vice Chair
Patricia Breslin
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Earl H. White
Bill Wilkinson
Kim King

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Members unable to attend
Nanoshka Johnson
Kent Woo
Jim Illig, Chair

Staff Present
Rachel Arnstine-O'Hara, Clerk to the Task force
Mario Kashou, Deputy City Attorney
John Clark, Legislative Analyst's Office

The meeting was called to order at 9:40 am.

Approval of Minutes

October 7, 1999
Minutes to the October 7, 1999 meeting were approved.

Economic Impact Study
Dr. Brian Murphy and Dr. Michael Potepan came to update the study in areas that were of concern to the task members. They asked that the task force allow them to ingest the major issues of concern, allow them to list the major issues, and then come back before the task force on October 28, 1999, with a more comprehensive study.

Mr. Fisher, acting chair, requested that staff invite Dr. Reich to the next meeting to discuss his opinions of the second phase of the Economic Impact Study.

Members asked Dr. Murphy and Dr. Potepan questions on the calculations used within the study, the reality of the creation of a health benefit pool, the effect of the ordinance on

small businesses and non-profit organizations, wage equity issues, passthroughs, and the effect of the ordinance on GA workers.

Members requested that Mr. Lightborne from the Department of Human Services be invited to the next meeting to give his reaction to the study.

Drs. Murphy and Potepan reminded everyone that most of the data in the study was based mostly on industry standard information. They will make an effort to triple check their sources and get back to the task force at the October 28th meeting.

Public Comment

Marianne Costello discussed the issue of tip reporting as it relates to the restaurant industry.

Kathaleen Harrington, representing Golden Gate Restaurant Association, informed the members that the ordinance still includes encroachment, which eliminates another 200 businesses from the ordinance. She believes that the study's assumption on the Wage Push issue is not realistic, because employees already earning a livable wage, will not accept a fifty cent to a dollar an hour raise, when people below them have just received two to five dollars an hour raise. She added that this ordinance might end up hurting those that we expect it to help.

Meeting adjourned at 12:45 p.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
Mayor

STEVEN D. NELSON
Director

1/99

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, October 21, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

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415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

OCTOBER 21, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Report on Economic Impact Study (DISCUSSION ITEM)
4. Will Lightbourne, Guest Speaker (DISCUSSION ITEM)
5. Public Comment
6. Adjournment

DISABILITY ACCESS

The Living Wage Task Force meeting will be held in Room 416 at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco.

The meeting location is between Grove and McAllister Streets and is wheelchair accessible. The closet BART and Muni Metro Station is Civic Center, about three blocks from the meeting location. Accessible Muni lines nearest the meeting location are:

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49 Van Ness-Mission
F-Market & Muni Metro (Civic Center Station)

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Know Your Rights under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For information on your rights under the Sunshine Ordinance (Chapters 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at (415) 554-6171.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (Administrative Code Section 16.520-534) to register and report lobbying activity.

For more information about the Lobbyist Ordinance, contact the Ethics Commission at 1390 Market Street, Suite 701, San Francisco, CA 94102, (415) 554-9510, FAX (415) 703-1021, or visit their web site at **http://www.ci.sf.ca.us/ethics**

21/99

Living Wage Task Force

Minutes for Meeting of October 21, 1999

Members Present
Brian Cahill
Bruce Fisher, Vice Chair
Patricia Breslin
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kim King
Nanoshka Johnson
Kent Woo

Members unable to attend
Jim Illig, Chair
Earl H. White

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OCT 27 1999

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Staff Present
Rachel Arnstine O'Hara, Clerk to the Task force
Mario Kashou, Deputy City Attorney
John Clark, Legislative Analyst's Office

The meeting was called to order at 9:45 a.m.

Economic Impact Study

Dr. Reich presented the second half of his report, on the effect the ordinance will have on property contracts, and gave his opinion on the Economic Impact study done by the Urban Institute. Dr. Reich agrees that there needs to be a living wage in San Francisco, but would like it benefit majority of the city and be affordable.

In discussing property contracts, he spoke mostly of those contracts at the Port and at the San Francisco Airport. He summarized his analyses and discussed his data sources. Dr. Reich also talked about how he gathered his data, and explained the possible political effects on his study and the Urban Institute's study. He talked about the effect of the ordinance on the property contract. He also touched on some of the similarities and differences between the airport and the port, payoff costs, and passthrough costs in detail.

Finally he compared the two studies and found similarities in the wage rate issues and calculations, but also noted differences in the numbers of contracts that would be affected by the ordinance, affordability of the cost, and non-profit passthrough issues. He believes

that the data used in the SFSU study is fundamentally flawed, and he explained what he thought affected that data.

Dr. Murphy responded to Dr. Reich's comments, by explaining some of the differences in their analysis, and said he would respond more thoroughly when he came back to the group to address their other questions.

Task Force members asked questions on funding, wage inequity, surveys used to gather data, passthrough costs, explanation of 799 Survey, the effect of the ordinance on employee turnover and the health care issues.

Mr. Duncan, deputy City Attorney, was asked to speak on direction from a policy standpoint to amending the present ordinance. He verified that the task force could amend and make the ordinance go further than it already does. He compared the Living Wage Ordinance to the Equal Benefit Ordinance, and also discussed the effect of the Living Wage Ordinance of Financial institutions and city investments.

Mr. Will Lightbourne, Executive Director for Human Services, informed the task force that the ordinance would have a definite impact of their clients. He spoke on the effect of the ordinance on the GA program, and the Welfare to work programs. Some of the immediate effects expected would be reduced hours for the program participants. He believes that employers forced to pay a living wage will scale down working hours to keep their costs down, which might make it more difficult for participants to meet their work requirements.

Members asked questions about the Human Services programs and if the department is capable of administering this ordinance.

Mr. Lightbourne responded that he would leave the administrative decision to the policy makers.

The chair requested that the member opinion grid be updated, and brought to the next meeting.

Public Comment

Avery McGine, owner of Crossroads Café at the airport, discussed the Local 340 contract that they presently abide to at the airport, and what the effect will be if that agreement is replaced by the proposed ordinance.

Kathleen Harrington, representing Golden Gate Restaurant Association, asked that task force ensures that Park and Recreation workers are included under the ordinance.

Mary Ellen Costello from SOMA, spoke on the poor research methods used in the study.

Meeting adjourned at 12:00 p.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, October 28, 1999
9:30 – 11:30 AM

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City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

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Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE

OCTOBER 28, 1999

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Task Force Member's Draft Summary Position Grid (DISCUSSION ITEM)
4. Report on Economic Impact Study (DISCUSSION ITEM)
5. Public Comment
6. Adjournment

DISABILITY ACCESS

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Name	Support Living Wage Concept?	Support Inclusion of Health Insurance?	Support Healthcare Pool?	Include Non-Profits?	Annual Controller Certification? (for NP coverage)	Include Goods Vendors?	Include Banks and Brokerages?
Welch	Yes	Yes		Yes	Yes		Yes
Cahill	Yes	Yes		Yes	Yes		
Wilkinson	Yes	Yes (but not cash)	Yes	Yes	No		
Fisher	Yes	Yes		Yes	Yes		
King	Yes	Yes (but not cash)	Yes	Yes	Yes (also include for-profits)		
Illig	Yes	Yes		Yes	Yes		
Breslin	Yes	Yes (but not cash)	Yes	Yes	Yes (also include for-profits)		
Mueller	Yes	Yes (but not cash)	Yes	Yes	Yes		
Rodriguez	Yes	Yes (but not cash)	Yes	Yes	Yes		
Johnson	Yes	?		Yes	Yes (also include for-profits)		
Woo	Yes	Yes		Initially Leave Out	Yes		
White	Yes	Yes		Yes	Yes		

Name	Include Port Leases? (w/ or w/o conditions)	Include Airport Lease/Concessions? (w/ or w/o conditions)	Include Encroachments?	Thresholds?	Wage Level?	Provisions for Trainee Wage/Program?	Administration/ Enforcement a Major Concern?
Welch	Yes	Yes					Yes
Cahill	?	?		NP: $250K	9.50 to start		Yes
Wilkinson	No	No		None	8.50 to start	Yes	Yes
Fisher	?	?			Y1:8.50, Y2: 9.50, Y3: 10.50		Yes
King	No	No		FP&NP:Y1 $200K, Y2 $100K, Y3 $75K, Y4 $50K	Y1: 8, Y2:9, Y3:10, Y4:11		Yes
Illig	No	Yes		FP: $50K/NP $250K/>100 emp.	Y1: 9.50/10.50 Y2: 10.50/11 50		Yes
Breslin	No	No	NO, NO, NO				Yes
Mueller	No	No		IRS Small Bus. Definition			Yes
Rodriguez	?	?			Average of San Jose and Oakland rates	Yes	Yes
Johnson	?	?		FP&NP: $250K and >50-100 employees	$7.50-8.00?	Yes	Yes
Woo	No	No		NP: $250K			Yes
White	?	Yes					Yes

Living Wage Task Force

Minutes for Meeting of October 28, 1999

Members Present
Brian Cahill
Bruce Fisher, Vice Chair
Patricia Breslin
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kim King
Nanoshka Johnson
Kent Woo
Jim Illig, Chair
Earl H. White

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Staff Present
Rachel Arnstine O'Hara, Clerk to the Task force
Mario Kashou, Deputy City Attorney
John Clark, Legislative Analyst's Office

The meeting was called to order at 9:35 a.m.

Approval of Minutes

Minutes to the meetings held October 14, 1999 and October 21, 1999 were approved.

Timing of Deliberations.

The chair, Jim Illig, reminded everyone that meeting the goal of five weeks after the study is presented means the Task Force has only three more weeks of deliberation. There was a discussion on what the task force still needed to accomplish, and members agreed there was a need for the full 10 weeks as authorized by the Board of Supervisors. John Clark, Legislative Analyst, reviewed the procedure necessary to secure the full 10 weeks for deliberation. Mr. Illig requested that a motion to request the full 10 weeks be formally listed on next meeting's agenda to allow members to vote on the issue.

With City holidays on two Thursdays in November (11 & 25), Task Force members asked staff to research hearing room availability for Wed. Nov. 10 and Wed. Nov. 24 in the morning for alternative meeting dates.

The member opinion grid was updated with additional columns, and Mr. Clark was asked to prepare a new version for the next meeting's deliberations.

Economic Impact Study

Dr. Murphy and Dr. Potepan, from San Francisco State University, submitted the October 28, addendum to the Economic Impact Study. The addendum was in response to the questions brought up by the Task Force and members of the Living Wage Coalition, and contained revisions to the estimates of the number of covered workers, plus recalculation of the costs for medical benefits, full benefit options, compensated time off, and horizontal wage push. With these corrections, the total cost for the Living Wage Ordinance would be $210 million instead of $255 million.

John Clark summarized the SB 697 - Community Needs Assessment Report. He also gave his opinion on the health care pool issue, and discussed its potential. Bart Duncan, deputy City Attorney, offered an explanation and clarification on the health care concepts by explaining the options that the Department of Public Health is presently working on. Mr. Illig asked that Ms. Tangerine Brigham be invited to the next meeting to discuss those health care options.

Task Force Recommendations

Members discussed broad points of agreement to prepare for votes at the next meeting on points of consensus, such as:
"The Living Wage Ordinance should include health insurance mandates for covered workers through a city-run purchasing pool."

Calvin Welch suggested the Task Force focus on broad recommendations with work groups charged to develop more specific, practical considerations for narrative explanation.

Rolf Mueller presented a statement of his position that the City should provide living wages for service contractors before city employees receive wage increases.

Meeting adjourned at 11:30 p.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

/99

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, November 4, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

Task Force members unable to attend the meeting are requested to contact staff no later than noon on the Tuesday prior to the meeting.

The Task Force may be contacted through its Clerk, Rachel Arnstine O'Hara, as follows:

Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

Living Wage Task Force Meeting

November 4, 1999

1. Call to Order/Roll Call
2. Approval of Minutes
3. Timing of Task Force Deliberations (ACTION ITEM)
4. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)
5. Extension of Living Wage Task Force for the full 10 weeks (ACTION)
6. Public Comment
7. Adjournment

DISABILITY ACCESS

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Living W[illegible] Opinions
DRAFT 6

Name	Support Living Wage Concept?	Support Inclusion of Health Insurance?	Support Healthcare Pool?	Include Non-Profits? (w/ or w/o conditions	Annual Controller Certification? (for NP coverage)	Include Goods Vendors?	Include Banks and Brokerages?
Welch	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cahill	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Wilkinson	Yes	Yes (but not cash)	Yes	Yes	No	No	No
Fisher	Yes	Yes	Yes	Yes	Yes	No - Study the Issue	Yes
King	Yes	Yes (but not cash)	Yes	Yes	Yes (also include for-profits)	?	?
Illig	Yes	Yes	Yes	Yes	Yes	No	No
Breslin	Yes	Yes (but not cash)*	Yes*	Yes	Yes (also include for-profits)	No	No
Mueller	Yes	Yes (but not cash)	Yes	Yes	Yes	No	Yes
Rodriguez	Yes	Yes (but not cash)	Yes	Yes	Yes	?	?
Johnson	Yes	Yes (but not cash)	Yes	Yes	Yes (also include for-profits)	Yes	Yes
Woo	Yes	Yes (but not cash)	Yes	Initially Leave Out	Yes (also include for-profits)	?	?
White	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Name	Include Port Leases? (w/ or w/o conditions)	Include Airport Lease/Concessions? (w/ or w/o conditions)	Include Encroachments?	Thresholds?	Wage Level?	Provisions for Trainee Wage/Program?	Administration/ Enforcement a Major Concern?
Welch	Yes	Yes	No	?	Y1: 9, Y2:10, Y3:11	Yes	Yes
Cahill	No - Study the Issue	Yes	?	NP: $250K	Y1: 9, Y2:10, Y3:11	Yes	Yes
Wilkinson	No	No	No	None	8.50 to start	Yes	Yes
Fisher	?	Yes	No	?	Y1:8.50, Y2: 9.50, Y3: 10.50	Yes	Yes
King	No	No	?	FP&NP:Y1 $200K, Y2 $100K, Y3 $75K, Y4 $50K	Y1: 8, Y2:9, Y3:10, Y4:11	?	Yes
Illig	No	Yes	No	FP: $50K/NP $250K/>100 emp.	Y1: 9.50/10.50 Y2: 10.50/11.50	Yes	Yes
Breslin	No	No	NO!, NO!, NO!	?	? (needs to be phased in)	Yes	Yes
Mueller	No	No	No	IRS Small Bus. Definition	8.00 to start	Yes	Yes
Rodriguez	?	?	?	?	Average of San Jose and Oakland rates	Yes	Yes
Johnson	?	?	?	FP&NP: $250K and >50-100 employees	$7.50-8.00	Yes	Yes
Woo	No	Yes	?	NP: >=75% of total budget	$9.00	?	Yes
White	?	Yes	?	NP: $250K	Y1: 9, Y2:10, Y3:11	Yes	Yes

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4/99

Living Wage Task Force
Minutes for Meeting of November 4, 1999

Members Present
Brian Cahill
Patricia Breslin
Jim Illig, ***CHAIR***
Nanoshka Johnson
Kim King
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kent Woo
Earl H. White

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Members unable to attend
Bruce Fisher, ***VICE CHAIR***

Staff Present
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services
and Acting Clerk to the Task Force

The meeting was called to order at 9:40 a.m.

Approval of Minutes - October 28, 1999

Mr. Mueller asked that minutes include his written statement submitted at the prior meeting.

Mr. Cahill asked that the minutes include information provided in the economic impact study that 25% of all low-wage workers are covered by the ordinance, and about 20,000 of the 35,000 workers covered are San Francisco residents.

The minutes were approved as amended.

San Francisco Health Plan - Shahnaz Nikpay

Ms. Nikpay, Chief Executive Officer of the San Francisco Health Plan (SFHP) described the public health plan, and informed the members that it is the only public HMO plan in the country. She summarized the history of the program and their future goals, which

include dealing with more specialty groups like the in-home support service (IHSS) workers and small businesses. She discussed the advantages of joining a not-for-profit HMO such as SFHP, and added that the city's plan will cover employees who qualify within a 50-mile radius of San Francisco.

On the Living Wage issue, in order to accommodate part-time workers that fall under the ordinance, she informed the members that a special program could be created to accommodate City contractors. When asked if the amount allotted to health plans in the ordinance will suffice, she responded that at $1 - $1.50 per hour worked, the SFHP should be able to create a plan to cover all eligible Living Wage workers.

Members asked for further details on the type of program that could be created to go along with the Living Wage Ordinance.

Mr. Illig made a motion to have the "Living Wage Ordinance include a health insurance mandate for covered workers through a city-regulated purchasing pool." Mr. Mueller seconded the motion. At the call of the question, all members approved the motion.

Timing of Deliberations

Members agreed that meetings scheduled on public holidays (Nov. 11 and 25) are to be moved to the prior Wednesdays. Therefore the Living Wage Task Force will meet on Wednesday November 10, and Wednesday November 24, 1999 at 9:30 a.m in a hearing room to be announced with the agenda.

A motion was made by Mr. Welch to request that Mr. Clark send a letter to the Board of Supervisors indicating that the Task Force will not complete its deliberations in the first five-week period, and thus will need until December 16, 1999 to finish its work. Mr. White seconded the motion. At the call of the question, all members approved the motion.

Task Force Recommendations

Members updated their recommendation grid.

Members discussed the affordability of the Living Wage Ordinance, and agreed that it was not for them to determine the revenue source for the Living Wage.

Wage level issues were discussed including horizontal wage push issues.

The inclusion or exclusion of non-profit organization was extensively discussed, and Mr. Welch made the motion "To include non-profit organizations in the ordinance with annual certification by the Controller of sufficient funds (or an exemption if no certification), with provisions to exempt those with trainee programs, and assurance of an

adequate administrative structure to monitor and enforce the ordinance." Mr. White seconded the motion. At the call of the question, 10 members voted to approve and 1 member voted against (Woo). The recommendation was approved.

Members then discussed the issue of thresholds for non- profit organizations.

Public Comment

Robert O' Malley of the Living Wage Coalition talked about possible sources of revenue available to fund this Living Wage Ordinance.

Kathleen Harrington, Golden Gate Restaurant Association, likes the idea of applying coverage of Living Wage by job category, as she felt this would be more equitable. She also felt this approach would work at the airport.

Meeting adjourned at 11:45 a.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

0/99

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Wednesday, November 10, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, **Room 408**
City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin
Bruce Fisher, Vice Chair
NaNoshka Johnson
Rolf D. Mueller
Calvin Welch
Bill Wilkinson
Brian Cahill
Jim Illig, Chair
Kim King
Lucia M. Rodriguez
Earl H. White
Kent Woo

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415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE MEETING

WEDNESDAY, NOVEMBER 10, 1999, 9:30 AM

ROOM 408

MEETING AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes
3. Timing of Task Force Deliberations (ACTION ITEM)
4. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)
5. Public Comment
6. Adjournment

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CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr., MAYOR

DEPARTMENT OF ADMINISTRATIVE SERVICES

November 4, 1999

Gloria L. Young
Clerk of the Board of Supervisors
City and County of San Francisco
1 Goodlett Place
San Francisco, CA 94102

RE: **REPORT OF THE LIVING WAGE TASK FORCE TO THE BOARD OF SUPERVISORS**

Dear Clerk Young:

Pursuant to the provisions of Resolution 617-99 (File 99-1035, Supervisor Kaufman), the Living Wage Task Force hereby notifies the Board of Supervisors that it cannot complete its deliberations and issue recommendations prior to the expiration of the first five-week period as specified in the Resolution. The first five-week period commenced with the October 7, 1999 receipt by the Task Force of the Economic Impact Analysis by San Francisco State University's Urban Institute, and ends on Thursday, November 11, 1999. Accordingly, the Task Force intends to take the additional five-week period allowed by the Resolution to complete its work. The second and final five week deliberation period will begin on Thursday, November 11, 1999, and conclude on Thursday, December 16, 1999 at which time the Living Wage Task Force will cease its existence.

The Resolution stipulates that if the Task Force requires use of the second five-week period, the Task Force shall report to the Board of Supervisors on its progress. This report is contained herein.

Progress to Date of the Living Wage Task Force

1. Testimony

The Task Force has heard some 50 public speakers including department officials, association representatives and affected contractors. Specifically, the Task Force has received information from the Airport Commission, the Departments of Public Health and Human Services, the Port Commission, the

Golden Gate Restaurant Association, the Department of Real Estate, the Living Wage Coalition, Host International Inc., Alioto's Restaurant, Supervisor Ammiano's Office, Service Employees International Union, the San Francisco Public Health Authority, and both San Francisco State University and the University of California at Berkeley, among many others.

2. Analysis and Research

The Task Force received a study commissioned by the Director of Administrative Services examining the economic impacts of the ordinance introduced by Supervisor Ammiano. This study, prepared by San Francisco State University's Urban Institute, examined cost and other economic impact factors in exhaustive detail. The Institute of Industrial Relations at UC Berkeley also prepared a study looking at economic impacts as well as beneficial effects. Both studies were examined in great detail by the Task Force and have been the primary agenda item at some four Task Force meetings.

In addition, the Task Force has been assisted by the staff of the Department of Administrative Services and the City Attorney's Office in researching and analyzing many issues related to living wage. This has included numerous presentations on living wage ordinances adopted in other jurisdictions.

3. Deliberations

The Task Force has reached broad agreement on seven key issues:

a) The Task Force recommends that the Board support some form of a of Living Wage Ordinance.

b) The Task Force recommends that any Living Wage Ordinance be crafted and implemented in such a way as to not result in any loss of services contracted from non-profit health and human service providers.

c) The Task Force recommends that any Living Wage Ordinance should include a health insurance mandate for covered workers through City-regulated purchasing pools.

d) The Task Force recommends that any Living Wage Ordinance include non-profit contractors in its scope of coverage.

e) The Task Force recommends that the Controller annually certify if the budget contains adequate funds to cover increased costs to non-profits resulting from compliance with Living Wage requirements, and if no certification is made, to exempt non-profits for that year.

f) The Task Force recommends that any Living Wage Ordinance include some provision for a trainee program exemption.

g) The Task Force finds that administration and enforcement is a major concern and recommends that any Living Wage Ordinance contain adequate and specific provisions for the implementation and ongoing oversight of living wage compliance, including the appropriation of adequate funds.

While the Task Force is in broad agreement on these policy issues, some individual differences remain. The Task Force anticipates issuing a report which includes not only recommendations and rationale, but also differing and dissenting opinions on each of the major issue areas in Living Wage.

Continuing Work of the Living Wage Task Force

1. Deliberations

The Task Force continues to deliberate on the following issues:

a) Including goods vendors in the scope of coverage.

b) Including banks and brokerage firms in the scope of coverage.

c) Including the airport in the scope of coverage.

d) Including Port property and other leaseholders in the scope of coverage.

e) Including encroachments in the scope of coverage.

f) Thresholds for exemption.

g) Wage level(s).

The Task Force anticipates making recommendations on each of these issues in its report.

2. Meetings, Testimony and Discussion

The Task Force has at present six upcoming scheduled meetings. In addition, the Task Force has indicated that they will hold as many additional special meetings as are necessary to complete their work prior to the December 16, 1999 deadline. The Task Force anticipates several public hearings to receive comments and questions on its draft report.

Respectfully submitted this 8th day of November, 1999, by:

JOHN D.R. CLARK
Deputy Public Administrator-
Deputy Public Guardian and
Staff to the Living Wage Task Force

RACHEL ARNSTINE O'HARA
Clerk of the Living Wage Task Force

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0/99

Living Wage Task Force
Minutes for Meeting of November 10, 1999

Members Present
Brian Cahill
Patricia Breslin
Bruce Fisher, VICE CHAIR
Jim Illig, CHAIR
Kim King
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kent Woo
Earl H. White

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Members unable to attend
Nanoshka Johnson

Staff Present
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services
Rachel Arnstine O'Hara, Clerk to the Task Force

The meeting was called to order at 9:45 a.m.

Approval of the minutes of Nov. 4th was postponed to the next meeting.

Timing of Task Force Deliberations:

Copies of the letter to the Board of Supervisors, requesting an extension of this task force till December 16, 1999, were distributed for a final review.

Mr. Fisher reminded the members that the Living Wage has become a mayoral campaign issue. Recently, Mayor Brown announced that he would veto all airport leases submitted that did not include a living wage.

Mr. Illig suggested encouraging the mayoral candidates to focus on the universal health coverage aspect of the Living Wage Ordinance, with a modest wage level of $8-$9 plus Earned Income Tax Credit education for all low wage workers. Members of the Task Force chose to continue their work of identifying points of agreement on specific recommendations.

Members worked on updating their recommendation grid, including adding more columns for specific issues to address in their recommendations. Some of the new columns created included: earned income credit, an evaluation of the Living Wage Ordinance after it's implemented, a sunset clause for the ordinance, guaranteed funding for non-profits, applicability to Park and Rec. leases and security functions at SFO, raising the minimum wage, and parity with civil service wage increases.

Mr. Illig asked that each member choose an issue column from the recommendation grid, and come to the next meeting with two statements to be discussed and voted on:

The most specific statement that will attract the consensus agreement of all members; and

A more specific statement that will attract the support of a majority of the Task Force (8 votes for a recommendation).

Members then selected their columns.

Breslin agreed to work on the tip credit issue, the evaluation component, the Park and Rec. Dept. leases, and the security services at SFO.

Welch agreed to work on the sunset clause issue.

Fisher agreed to take the Earned Income Tax credit column.

Cahill agreed to develop statements for the issues of non-contract employees, and parity with civil service increases.

King agreed to take part-time employees and city funding to for-profit service contractors.

Illig agreed to develop position statements on raising the minimum wage.

Welch, Cahill and Fisher agreed to draft statements about the threshold levels.

Motion was made to recommend no inclusion of encroachment permits in the ordinance. The motion was seconded, and at the call of the questions all members approved the motion.

Members discussed phase-in, county minimum wage increase versus Living Wage Ordinance, wage level, wage push, and the need for pass-throughs for non-profits.

Public Comment

Marianne Costello, Pier Tenant Association, submitted a letter from Kathy Lowland, CEO of the San Francisco Maritime Museum, to the task force. Ms. Costello read the letter that presented Ms. Lowland's thoughts on the Living Wage Ordinance and its effects on non-profits.

Helen Hobbs, San Francisco Restaurant owner, spoke against the task force making recommendations on an increase in the county minimum wage.

Meeting adjourned at 11:35 a.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
Mayor

STEVEN D. NELSON
Director

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, November 18, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, Room 416
City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

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415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

Living Wage Task Force Meeting

November 18, 1999

1. Call to Order/Roll Call
2. Approval of Minutes
3. Timing of Task Force Deliberations (ACTION ITEM)
4. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)
5. Public Comment
6. Adjournment

City and County of San Francisco **Department of Public Health**

Mitchell H. Katz, MD
Director of Health

18

November 12, 1999

Jim Illig, Chair
Living Wage Task Force

Dear Chairman Illig:

In response to the request made at the August 26th Living Wage Task Force hearing, the Department of Public Health has revised its health benefits analysis reported in March 1999 to reflect the estimated wage benefits to affected workers. The updated report is attached.

In preparing our report, we reviewed the Living Wage Reports prepared both by the University of California Institute of Industrial Relations and the San Francisco State Urban Institute; however, our quantitative analyses are based solely on the SFSU Urban Institute estimates of wage gains. With this information, we were able to more precisely estimate the increase to longevity for affected workers. However, due to limitations in the data, we were not able to quantify hospitalizations prevented. We added estimates of the effects on child development that help to explain how socioeconomic status contributes to improved health outcomes.

I trust the updated report will meet your needs, and we appreciate being able to contribute to the review of this proposed legislation. If necessary, Dr. Rajiv Bhatia (415- 252-3931) will be able to answer any further questions regarding the report's methods and results.

Sincerely,

MITCHELL H. KATZ, MD
Director of Health

cc: Gloria Young, Clerk of the Board of Supervisors
Rachel Arnstine-O'Hara, Living Wage Task Force
Rajiv Bhatia, MD

Jim Illig:MK:plt

(415) 554-2600 **101 Grove Street** **San Francisco, CA 94102**

Estimated Health Benefits of the Proposed San Francisco Living Wage Ordinance

Revision Using Estimated Beneficiaries and Income Gains

San Francisco Department of Public Health
November, 1999

Prepared by:
Rajiv Bhatia, MD, MPH

Questions and Correspondence may be addressed to Rajiv Bhatia, MD, MPH., Medical Director, Occupational and Environmental Health Programs, Department of Public Health, 1390 Market Street, Suite 822, San Francisco, 94102. Email: rajiv_bhatia@dph.sf.ca.us.

Introduction

In March 1999, at the request of the Board of Supervisors, the San Francisco Department of Public health reported on the health consequences of a living wage in San Francisco.[1] At the time of our analysis, the scope of the ordinance as well as the proposed "living wage" standard had not been determined. Consequently, our analysis was based on a citywide minimum wage standard of $14.50 per hour. We estimated that about 120,000 individuals in San Francisco households would benefit from a minimum wage set at this standard, and these individuals would be expected to have reduced risks of premature death from all causes. We also predicted that the city would benefit from a decrease in hospital admissions preventable with timely primary care. As discussed in the March 1999 report, we found several limitations to using health research to predict the consequences of an increase in wages. Our conclusions were limited to demonstrating the magnitude and direction of health improvements that could be expected from an increased minimum wage for all San Francisco residents.

Subsequently, two economical analyses of the San Francisco living wage ordinance have been reported.[2,3] These analyses have estimated the number of workers affected by the living wage ordinance and their expected wage gains. At the request of the San Francisco Board of Supervisor's Living Wage Task Force, we have revised our analysis of health consequences to focus on the expected beneficiaries and benefits.

Estimates of Income Gains and Numbers of Workers Affected

In two separate reports, the University of California at Berkeley Institute of Industrial Relations estimated the benefits and costs of a $11 living wage applied to the County's service contracts and leaseholders. The findings of these reports in regards to the wage benefits to employees currently earning less than or near $11 dollars an hour are summarized in the table below.

Table 1. Annual wage gains based on UCB Institute for Industrial Relations Analysis

Site or Group	Number of Affected Employees	Average Annual Wage Benefit
San Francisco Airport	11,500	$4,600
Port of San Francisco	4,400	$6,500
Service Contracts	6,000	$2,933
Home Health Care workers	6,650	$4,586

A second economic analysis conducted by the San Francisco State University's Urban Institute used additional input from questionnaire responses and administrative data from city departments to estimate the benefits and costs of the proposed ordinance. Analysis was done for $11, $10 and $9 wages, and the benefits for part time and full time employees were separated. A summary of the wage benefits given the proposed $11 wage is presented in the table below.

Table 2. Annual wage gains based on SFSU Urban Institute Analysis

	Full Time Employees		Part Time Employees	
Site or Group	Number	Annual Wage Benefit	Number	Annual Wage Benefit
All Contractors	3,807	$5,403	11,630	$2,349
Airport Leaseholders	10,579	$4,085	3,399	$2,201
Port Leaseholders	4,196	$5,731	5,080	$3,431
Other Leaseholders	1,994	$5,713	1,433	$3,885

Both of these economic analyses provided equivalent data with which to estimate the health benefits of the proposed San Francisco Living Wage Ordinance. However, neither analysis provided all the data necessary to use the models of income and health from the research literature. For the remainder of this analysis, we used the estimates of beneficiaries and wage benefits from the San Francisco State University's Urban Institute Report. We also acquired and analyzed additional demographic data for low-income workers using Current Population Survey (CPS) Data. Using 1997-1999 March CPS Data for the SF Bay Area Region, we estimated the family income distribution for part time and full time workers earning less than $11 per hour. According to CPS data, 42% of full time workers earning less than $11 and 32% of part time workers are in families with incomes less than $25,000 ($11/hour full time corresponds to a annual wage income of $22,880.)

Table 3. Family Income Distribution of Workers Earning Less Than $11 in 1997-99

Family Income Group	Average Income	% of PT workers	% of FT workers
0 to $10,000	6359	15.1%	6.9%
$10-15,000	12578	6.0%	9.6%
$15-20,000	17545	5.3%	11.1%
$20-25000	22878	5.5%	13.8%
$25-30,000	27565	10.0%	7.4%
$30-40,000	34966	7.4%	9.8%
$40-50,000	44630	8.9%	11.1%
$50-75,000	62491	16.1%	16.0%
> $75,000	132950	25.7%	14.2%

Since health effects from a living wage standard would likely extend to family members of the affected earners, we also estimated the average number of related family members and children. As Table 4 illustrates, while 42,804 full and part time earners would be affected by the living wage, 123,062 members of their low income families would share these income gains.

Table 4. Family Members of earners affected by the living wage ordinance.

Population	Contracts		Airport		Port		Other Leases		All
	FT	PT	FT	PT	FT	PT	FT	PT	
All Affected Earners									
Earners	3807	11630	10579	4085	4196	5080	1994	1433	**42804**
Family members	10945	33436	30415	11744	12064	14605	5733	4120	**123062**
Children <18y	2212	6757	6146	2373	2438	2951	1159	833	**24869**
Children < 6y	708	2163	1968	760	780	945	371	267	**7962**

Health Outcomes

Our basic approach to the health analyses followed that of our earlier report and applied the wage benefits from the economic analyses to observational studies of income and health outcomes. To further explain some of the potential mechanisms of income's effects, we added an analyses based on studies of child development outcomes. All of the studies chosen reflect the judgement of the author and a detailed tabulation of all the studies considered is presented in Appendix 1.

Premature Mortality

In the March 1999 analysis, we applied a hypothetical income distribution based on an increased minimum wage to a longitudinal analysis of mortality. The study that we used observed a consistent graded increase in the risk of premature death with decreasing average income in the prior five years. [4] The study isolated the effects of income from those of race, age, gender, and household size. Those with household incomes greater than $70,000 had risks of premature death one-third of those in households with incomes less than $20,000, adjusted to 1993 dollars. This study also demonstrated that downward fluctuations in income increased mortality risk independent of average income, which supports the influence of income on pre-mature mortality. While the study suggests the living wage gains for an estimated 123,000 affected family members would reduce their premature mortality, limitations of the study's model did not allow us to quantify a living wage benefit on mortality.

Using a similar longitudinal analysis of mortality, we were able to overcome some of these limitations and quantify the mortality risk reductions. This study analyzed data from the National Longitudinal Study of Mortality for men and women aged 24 to 64.[5 6] The analysis of income and mortality controlled for the independent effects of. sex, age, household size, education, and marital status. The study modeled the change in the risk of mortality as income changed. We used this model as well as the average income gain from the SFSU Urban Institute Report and the current family income distribution from the CPS data to estimate the change in risk of mortality for all workers affected by the proposed ordinance.

Table 5. Reduction of Relative Risk of Premature Mortality from all Causes in Part time Workers

	Female Part-time Workers		Male Part-time Workers	
Family Income Group	Affected Workers	Reduction of Mortality Risk	Affected Workers	Reduction of Mortality Risk
0 to $10,000	1745	6-7%	1611	9-10%
$10-15,000	695	3-4%	641	5-6%
$15-20,000	614	2-3%	567	4%
$20-25000	639	2%	590	3%
$25-30,000	1153	1%	1064	2-3%
$30-40,000	857	1%	791	2%
$40-50,000	1034	1%	954	2%
$50-75,000	1856	1%	1713	1%
> $75,000	2965	-	2737	1%

Table 6. Reduction of Relative Risk of Premature Mortality from all Causes in Full time Workers

	Female Full-time Workers		Male Full-time Workers	
Family Income Group	Affected Workers	Reduction of Mortality Risk	Affected Workers	Reduction of Mortality Risk
0 to $10,000	736	9-11%	679	15-16%
$10-15,000	1032	5-6%	953	8-9%
$15-20,000	1192	4-5%	1100	6-7%
$20-25000	1481	3-4%	1367	5-6%
$25-30,000	789	3%	728	4-5%
$30-40,000	1051	2-3%	970	3-4%
$40-50,000	1189	2%	1098	3%
$50-75,000	1711	1%	1579	1%
> $75,000	1519	1%	1402	1%

As illustrated in Tables 5 and 6, the reduction in mortality risk is notable for both full time and part time workers. For a particular family income group, the benefit is greater for full time workers due to their larger wage gain. Consistent with the research on income and health, the benefit for men is greater than that for women. Mortality risk reductions are highly dependent on the current family income and the largest reductions are present those with family income's less than $25,000. To put such risk reductions in perspective for San Francisco, the crude mortality rates from 1995 to 1997 for men and women aged 25 to 64 were 7.43 and 2.22 per 1000 residents, respectively.

Preventable Hospitalizations

In regards to the benefit to preventable hospitalizations, the study cited in the March 1999 report predicted a decrease in preventable hospitalizations based on an increase in median zip code level income.[7] The economic benefit estimates do not allow us to estimate the zip code level increases accruing from the living wage ordinance and thus we are precluded from applying the economic analysis to the study data as we did in the prior study. Qualitatively, we do know that low income itself often presents a barrier to use of services, and that a common reason for not seeking ambulatory medical care is seen as high cost, even for those with health insurance.[8 9] Arranging or affording time to be away from work and transportation issues may be two factors related to decreased utilization that would be improved by augmenting income. Persons with household incomes less than 400% of the federal poverty level are less likely to have a regular source of care which is another barrier to early primary care.[10] Given these findings, we would predict that many of the earners and their related family members would make more frequent use of primary care options and consequently reduce their utilization of emergency rooms and their hospital admissions.

Child Development

In considering the breadth of the research on income and health, we suggested in the March 1999 report that many of the potential observed benefits of income on health may be mediated through effects on children especially effects during early childhood development (Table 7). A wealth of literature has suggested that family income has important effects on physical health, cognitive abilities, school and early adult achievement, and behavior.[11 12]

Table 7. Pathways through which poverty may operate to influence child health and development

Community Level	Family Level
• Exposure to violence & safety of neighborhoods • Environmental allergens and toxins • Neighborhood cohesiveness • Expectations of teachers, peers, community • Access and quality of schools and child care • Access and quality of parks, recreational facilities, libraries, community centers, child oriented activities • Access and quality of health care.	• Nutrition and health behavior • Provision of learning experiences • Parental interactions and expectations • Parental emotional and physical health • Use of health care services • Household stability • Self-esteem and Optimism

Poverty's effects on childhood development are relevant to this discussion as such effects may have important lifelong consequences that may account for a part of the relationship between adult income and adult health. Understanding and estimating effects on childhood development may help explain how income effects health through the life-span. Similar to the limitations of the adult health research, separating the effects of family income from other household and community characteristics that influence childhood development is a challenge to determining the causal role of poverty. However, recent research in childhood outcomes has looked at the effects of family income independent from other family characteristics such as maternal education, maternal age, marital status, ethnicity. Given these improvements in methodology and the prospective nature of the data, we believe that some of these models of incomes and childhood development can be appropriately applied to estimate direct non-economic benefits of a living wage and provide indirect support for the health benefits discussed above.

Table 8. Child Outcomes Associated with Low Income [11]

Physical health	Cognitive abilities	School outcomes	Behavior
Low birth weight Pre-term delivery Peri-natal complications Infant death Anemia Lead poisoning	IQ test scores Verbal ability Reasoning abilities Visual spatial abilities	Grade failure Learning problems Attention problems School completion Achievement test scores.	Behavior problems Juvenile delinquency Depressive or anxious behavior Aggressive behavior Anti-social behavior

To illustrate the magnitude of these benefits, we applied the results of the SFSUI economic analysis to a 1998 study of young adult school outcomes and non-marital childbirth.[13] The study used a national survey, the Panel Study of Income Dynamics, to estimate the effects of parental socio-economic status on children ages 0 to 15 on completed schooling and risk of non-marital childbearing . The study isolated the effect of income from control variables for race, gender, number of siblings, family structure, and maternal age, schooling, and employment. The study's model also took into account a change in relationship between income and outcomes for low-income families (less than $20,000 in 1993 dollars) and for those with higher income. This study found for low-income families, a $10,000 increase in household income was associated with 1.3

more years of completed schooling, a seven fold increase in the odds of high school graduation, and a 39% reduction in the risk of non-marital childbirth.

According to the SFSU Urban Institute report, 7138 full time workers and 6475 part time workers are in families with incomes less than $22,560 (equivalent to $20,000 in 1993 dollars) and would benefit from wage gain. Using census estimates of family composition these full time and part time earners are expected to have 4147 and 3762 children under 18 years of age, respectively. If the average wage gains in the report are applied to the study's models of young adult outcomes, we estimate average benefits of 0.56 increased years of schooling and a 132% increase in the odds of high school completion for children of full time workers in low income households. The benefit for children part time workers in families with incomes less than $22,560 would be 0.31 increased years of schooling and a 59% increase in the odds of high school completion. Similar benefits though of a much smaller magnitude would be predicted for the children in families with household income greater than $22,560.

Table 9. Young Adult Outcomes in Affected Families Earning Less than $25,000

Outcome	Average benefit for children of full time earners	Average benefit for children of part time earners
Years of Completed Schooling	0.56 years	0.31 years
Odds of High School Completion	132% increase	59% increase

Limitations

The limitations of the above analysis are similar to those discussed in the previous report. The predictive estimates are based on national observational data; however, the mortality studies as well as the studies on child development both isolate the effects of income from other related factors also known to influence health and development. This control for potential confounding variables strengthens support for estimating the effects of changes in income. Our analysis does not report on the full breadth of health and developmental outcomes that have an association with family income (See Appendix I for a summary of studies reviewed) but rather focuses on selected outcomes with well-studied associations with socio-economic status. Our analysis also did not estimate the benefits accrued through "wage push" effects or through neighborhood effects. Such benefits are likely to be similar to but smaller than the benefits discussed above. Unemployment was discussed in the SFSU Urban Institute report as a potential consequence of the ordinance. Similar to low income, unemployment is associated with poor health and any significant unemployment may reduce the net health benefits from the income gains. Finally, as stated in our prior report, this study is not a full economic analysis but rather is intended to estimate whether there exists non-economic consequences to health accruing from the living wage ordinance.

Conclusion

The present analysis supports significant non-economic health benefits to both part time and full time workers affected by the proposed living wage ordinance. Estimates of mortality risk reductions, while significant and independent of other major socio-economic factors, should be considered relative to the limitations discussed above. Available health research data make it difficult to quantify a reduction of hospital admissions, but the research does suggest that admissions for several chronic diseases would be lessened for the affected workers. The benefits of a living wage school to school outcomes are also significant and provide support for the importance of family income level to lifelong health of offspring. The benefits described in the current report are not specific to a living wage in that they would also be expected from other programs to augment family income (e.g. enhancing an Earned Income Tax Credit.) A living wage in San Francisco would complement other social programs, such as early and adult education and employment training, that support the well being of families.

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Appendix I: Selected Studies Of The Relationship Between Income And Health

Study	Design	Population	Outcomes	Income Measure	Results	Model Covariates
Marmot 1998	CS	MIDUS 1995	Self-Rated Health Waist-Hip Ratio Psychological Well Being	Household Income (Quartile)	**Odds Ratio Self Rated Health for quartile of income** Women Men Q1 1.0 1.0 Q2 1.29 1.62 Q3 1.46 2.66 Q4 2.28 4.40	Age, Race
Pappas, 1997	CS	1990 NHDS	Ambulatory Care Sensitive (Acs) Hospitalizations	Zip Code Level Income, Insurance Status, Ethnicity.	**Rate Ratio for ACS hospitalizations** <15y 15-44y 45-64y >65y >$40k 1 1 1 1 >$30k 1.5 1.2 1.5 1.2 >$20k 2 1.7 1.8 1.3 <$20k 2.7 2.2 2.6 1.4	Reported No Change Of Income Analysis With Adjustment For Race
Ettner 1996	CS	NSFH 1987 SIPP 1986-87 NHIS 1988	Self Rated Health Depressive Symptoms Employment Limits ADL Limits Restricted Bed Days Alcohol Use	Yearly Income (NSFH &NHIS) Monthly Income (SIPP)	**Regressionβ log(income)** Health rating (NSFH) 0.37 (0.05;RR=0.39) Health rating(SIPP) 0.97 (0.06;RR=0.19) CES-D scale(NSFH) -4.56 (0.82; ɔ=-0.28) Work limits(NSFH) -0.65 (0.09;RR=0.23) Work Limits(SIPP) -0.68 (0.10;RR=0.40) ADL Limits(NSFH) -0.54 (0.08;RR=0.32) ADL Limits(SIPP) -0.48 (0.14;RR=0.49) Bed Days(SIPP) -1.32 (0.28; ɔ=-0.70)	Sex, Interaction B/W Sex & Marriage, Marriage, Divorced, Widowed, Black, Hispanic, Asian, Age, Age Squared, High School, College, Grad School,
Geronimus 1998	CS	1985 PSID 1988 NMHIS	Self Rated Health Infant Mortality	Individual Income ($ 1997)	**Regressionβ log (income)** Self Rated Health 0.35 (0.02) Infant Mortality -0.10 (0.03) **Regressionβ Poverty** Self Rated Health -0.61 Infant Mortality 0.23	Age, Race, Sex

Hahn 1996	PC	NHANES 1 1971-75 F/U to 1984	Mortality In Adults 24-74y	Income(1973 Poverty Threshold)	**Relative Hazard of Poverty (Cox)** **Model 1** Men: 25-44 3.0 (1.5-6); 45-64 2.2 (1.6-2.9); 65-74 1.5 (1.2-1.7) Women: All ages 2.0 (1.7-2.9) **Model 2** Men: 25-44 2.9 (1.4-5.9); 45-64 2.1 (1.5-2.9); 65-74 1.4 (1.2-1.7) Women: All ages 1.4 (1.1-1.8) **Model 3** Men: 25-44 2.9 (1.4-5.9); 45-64 1.6 (1.1-2.2); 65-74 1.2 (1.0-1.5) Women: All ages 1.2 (0.9-1.5)	None Ethnicity Ethnicity, Cholesterol, Blood Pressure, Body Mass, Smoking, Lack Of Physical Activity, Alcohol, Marital Status, Education, Estrogen Use
Pappas 1993	RC	USA 1986	Mortality In Adults 25-64 Years	Income	**Death Rates per 1000 person-years** Income-$ WM WF BM BF <9000 16.0 6.5 19.5 7.6 9-14k 10.2 3.4 10.8 4.5 15-19k 5.7 3.3 9.8 3.7 20-24k 4.6 3.0 4.7 2.8 >25k 2.4 1.6 3.6 2.3	Stratefied Data Presented Only.
Haan 1987	PC	Alameda Co	Mortality	Poverty Area Residence	**RR** 1.71 (1.2-2.44)	
McDonough 1977	PC	PSID 1968-89	Mortality	Annual Household Income(1993$) Measured 5 Years Before Vital Status	**OR Mortality** <15k 3.03(2.2-4.11) 15-20k 2.49(1.89-3.27) 20-30k 2.009(1.49-2.68 30-50k 1.45(1.11-1.85) 50-70k 1.36(0.95-1.92) >70k 1	Age, Sex, Race, Family Size

Davey-Smith 1998	PC	MRFIT 16 year f/u	Mortality In Adults 35-47y	Zip Code Level Income (Census)	**RR CHD mortality <$10k/year** Male 1.17(1.13-1.21)	Ethnicity, Smoking, Cholesterol, DBP, Previous Heart Attack, Diabetes
Mustard 1997	CS	Manitoba 5% sample 1986-88	Mortality, Treatment Prevalence	Household Income	**OR Mortality by Income Quartile** Q1 1.43 (1.10-1.86) Q2 1.57 (1.22-2.02) Q3 1.27 ().97-1.65) Q4 1 **OR >3 Conditions by Income Quartile** Q1 1.37 (1.27-1.49) Q2 1.14 (1.05-1.23) Q3 1.05 (0.97-1.14) Q4 1	Education Education
Geronimus 1996	CS	Communities in U.S. 1989-91	Mortality In Adults 15-64y	Chronic Poverty Areas 13-48% Below Poverty Line	**#excess deaths per 100,000** Poor Black Male Female Harlem 1296 535 Detroit 746 355 Watts 799 359 Alabama 338 338 Poor White NY east side 208 26 Detroit 421 203 Appalachia 157 87 Alabama 127 58	
Sorlie 1995	PC	NLMS 1979-85	Mortality In Adults >25 Years	Income(1980)	**Relative Risk of Pre-mature Mortality** Income >$50,000 relative to <$5000 Model 1 Age Male Female 25-44y 0.27 0.38 45-64 0.32 0.43 64 + 0.66 0.93 Model 2 Age Male Female 25-44y 0.67 0.62 45-64 0.63 0.69 64 + 0.84 0.90	Age, Race Age, Race, Employment, Education, Marital Status, Household Size

Backlund 1996	PC	NLMS 1979-85	Mortality In Adults >25 Years	Income(1980)	**OLS Coefficient log(income)** Modeled the natural log of the relative risk of mortality on the natural log of income. Men25-44 -0.265 Men 45-64 -0.301 Men >65 -0.125 Women25-44 -0.175 Women45-64 -0.199 Women>65 -0.050	Age, Race, Household Size, Marital Status, Education.
Gornick 1996	CS	Medicare 1993	Mortality In Adults >65 Years	Zip Code Level Income (Census)	**Annual mortality Rate per 100 persons** Men Black White <$13,100 8.1 7.3 $13,101-16,300 8.0 7.1 $16,301-20,500 7.8 6.8 >$20,500 7.7 6.2 Women <$13,100 5.2 4.6 $13,101-16,300 5.3 4.5 $16,301-20,500 5.0 4.5 >$20,500 5.3 4.4	Age
Brooks-Gunn 1996	PC	IHDP 1985 cohort	Intelligence As Measured By The WPPSI IQ Score At Age Five.	Income/Needs Ratio	**WPPSI IQ scores** OLS coefficient(income/needs)= 2.93 (0.64) per one unit increase in income/needs ratio (Eg. increase of income from 1.0 to 1.5 x the poverty threshold associated with a 2.93 point rise in the intelligence test score.)	Regression Model Included Ethnicity, Gender, Birthweight, Neonatal Health Index, Neighborhood Poverty, Female Head Of Household, Mothers Education, Mothers Verbal Ability, And Mothers Age

Duncan 1994	PC	IHDP 1985 cohort	Behavior At Age 5	Income/Needs Ratio	**Achenbach Externalizing Sum Score:** Mean = 13.23 (9.4) OLS coefficient = -0.91 (0.31) per one unit increase in income/needs ratio **Achenbach Internalizing Sum Score:** Mean = 14.16 (9.82) OLS coefficient = -0.97 (0.33) per one unit change in income/needs ratio	Regression Model Included Ethnicity, Gender, Birthweight, Neonatal Health Index, Neighborhood Poverty, Female Head Of Household, Mothers Education, Mothers Verbal Ability, And Mothers Age
Duncan 1998	PC	PSID	Completed Schooling Non-Marital Childbirth	Family Income	**Years of completed Schooling:** OLS coefficient = 1.30 per $10,000 **High School Completion:** Logistic coefficient = 1.30 per $10,000 **Risk of non-marital birth:** Logistic coefficient = 1.30 per $10,000 **All results for Spline Models and subgroup with income <$20,000*	Models Included Ethnicity, Gender, Number Of Siblings, Family Structure, Residence In The South, Mothers Education, Mother's Employment, Mothers Verbal Ability, And Mothers Age,
Schwartz 1990	CS	NHANES II	Current Asthma And Frequent Wheeze In Children 6m-11y	Family Income, Central City Residence	**Odds current asthma for income** >$27,300 relative to <$9100: OR=1.98(1.27-3.05)	Age, Race, Sex
Wissow 1988	CS	Maryland 1979-82	Asthma Hospital Discharge Rates In Children 0-19 Years	Ethnicity, Medicaid, Zip Code &County Level Poverty	**Discharge rate per 1000 person-years:** Black White poorest counties 7.54 2.15 richest county 1.78 0.68	
Weitzman 1990	CS	NHIS 1981	Current Asthma In Children 0-17 Years	Ethnicity, Family Income, Family Size, Crowding	**Prevalence of current asthma** poor 6% not-poor 3%	
Turtletaub 1991	CS	NHANES I 1976-80	Asthma In Adults 24-74 Years	Poverty Index Ratio	**Prevalence of asthma** poor=12.0 %(1.1) not-poor=6.7%(0.3)	Age, Smoking

Living Wage Task Force
Minutes for Meeting of November 18, 1999

Members Present
Brian Cahill
Patricia Breslin
Bruce Fisher, ***VICE CHAIR***
Jim Illig, ***CHAIR***
Nanoshka Johnson
Kim King
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kent Woo
Earl H. White

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Staff Present
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services
Rachel Arnstine O'Hara, Clerk to the Task Force

The meeting was called to order at 9:40 a.m.

The Department of Public Health's Report on the Living Wage was distributed to the members. Mr. Fisher felt that the report reiterates the fact that raising the level of income, especially for low wage earners, allows them to provide better healthcare for themselves and their family, which translates to better health.

Timing of Deliberations

Members discussed the timing of their deliberations and the process for drafting a report on their recommendations. Members suggested having more meetings per week to ensure that they make their December 16, 1999 deadline.

Members agreed to meet twice a week starting the week of November 29th. The schedule for future meetings is:

Wed. Nov. 24	9:30 to 12:30	
Mon. Nov. 29	9:30 to 12:30	
Thurs. Dec. 2	9:30 to 12:30	
Mon. Dec. 6	9:30 to 12:30	Recommendations completed
Thurs. Dec. 9	9:30 to 12:30	Public hearing on the draft report
Thurs. Dec. 16	9:30 to 12:30	Final meeting, report completed

Approval of Minutes

November 4, 1999

Patricia Breslin asked for a correction to the public comment made by Kathleen Harrington. She asked that the last sentence be changed to state that "She also felt this approach would work at the airport, specifically addressing security critical positions at the airport". Minutes to the November 4, 1999 were approved as amended.

November 10, 1999

Ms. Breslin informed the members that she is also drafting recommendations on the issues of the port and airport leases. She asked that it be included in the minutes. Minutes to the November 10, 1999 were approved as amended.

Task Force Recommendations

Tip Credit - Patricia Breslin

Ms. Breslin's proposed motion was **"Should property contracts be covered under a Living Wage Ordinance, a tip credit should be applied to all IRS-recognized tip employee positions (direct and indirect), based on their documented, reported tips in those affected businesses."** Ms. King seconded the motion

Mr. Fisher brought up the fact that including tip credit into San Francisco's Living Wage Ordinance will be setting a precedent because no other Living Wage ordinance has included the tip credit provision.

Mr. Welch informed the members that he would be unable to support this motion because of the accountability aspect of tip credit. He feels that the process will prove to be difficult for the City to administer and enforce.

Members discussed the motion, tip reporting methods, inclusion of union labor, and the possibility of including tip earners into the health coverage pool created for the Living Wage Ordinance.

Public Comment

Marian Costello, Pier Tenant Association, reiterated that because all tip earners currently report tip wages, the information is easily accessed, and should not be difficult to produce if included within the ordinance.

Jim Cobb, restaurant owner, spoke in favor of the inclusion of tip credit within the ordinance.

Yvonne Smith, restaurant owner at the airport, added that the airport does track tip wages, but California does not recognize tip credit for minimum wage determinations.

Mr. Fisher added that the inclusion of tip credit into the Living Wage Ordinance would target the wage level to the lowest wage earners in restaurants.

At the call for the question, eleven members voted for the motion and one member voted against it. The motion was approved.

The Member Recommendation Grid of positions on various issues was updated.

Threshold and Related Issues for Non-Profit Organizations - Brian Cahill

Mr. Cahill proposed the following motion:

1. The ordinance shall include language that states there shall be no cuts in crucial health and human services by non-profit contractors as a result of the living wage mandate.

2. Non-profit contractors with less than $100,000 in city contract revenue shall be exempt.

3. All non-profit contractors shall be exempt unless the Controller certifies annually in the budget appropriations ordinance that there are funds available in each department's budget to fund the living wage mandate for contract employees of non-profit agencies.

4. Non-profit contractors may apply for a waiver from the contracting department if their city contract revenue is less than 50% of their total operating revenues. The waiver shall be presumed to be granted if enforcement of the living wage mandate would result in reduction of crucial services." Mr. Illig seconded the motion.

Mr. Mueller was not comfortable with the annual certification portion of this motion. He believes that this could mean that workers who would be paid the living wage in one year might not earn the same income in the following year if the Controller cannot certify that the city has the funds.

Mr. Wilkinson felt that the same conditions and exemptions given to non-profit organizations should also apply to for-profit organizations. His preference is that no organization be given an excuse not to participate in providing its employees with a living wage.

Mr. Fisher asked Mr. Kashou, Deputy City Attorney, to help draft some language that would mandate City funds to be available to non-profit organization to help them meet the requirements of the Living Wage Ordinance.

Since the scheduled meeting time was ending, further discussion of this motion was tabled until the next meeting

Meeting adjourned at 11:35 a.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Wednesday, November 24, 1999
9:30 – 11:30 AM

1 Dr. Carlton B. Goodlett Place, **Room 408**
City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

Task Force members unable to attend the meeting are requested to contact staff no later than noon on the Tuesday prior to the meeting.

The Task Force may be contacted through its Clerk, Rachel Arnstine O'Hara, as follows:

Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

DISABILITY ACCESS

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The meeting location is between Grove and McAllister Streets and is wheelchair accessible. The closet BART and Muni Metro Station is Civic Center, about three blocks from the meeting location. Accessible Muni lines nearest the meeting location are:

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Living Wage Task Force Meeting

November 24, 1999

1. Call to Order/Roll Call
2. Approval of Minutes
3. Timing of Task Force Deliberations (ACTION ITEM)
4. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)
5. Public Comment
6. Adjournment

Living Wage Task Force
Minutes for Meeting of November 24, 1999

Members Present
Jim Illig, **CHAIR**
Bruce Fisher, **VICE CHAIR**
Patricia Breslin
Brian Cahill
Nanoshka Johnson
Kim King
Rolf D. Mueller
Lucia Rodriguez
Calvin Welch
Bill Wilkinson
Kent Woo

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Staff Present
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services
Rachel Arnstine O'Hara, Clerk to the Task Force

The meeting was called to order at 9:35 a.m.

Members read letters from various port tenants including fisheries & restaurants that told how the Ordinance would affect their businesses.

Approval of Minutes
Minutes of the November 18 Meeting will be provided and reviewed at the next meeting on November 29.

Timing of Deliberations
Next Meetings:
- Monday, Nov. 29th
- Thursday, Dec 2
- Monday, Dec 6th
- Thus, Dec 9
- Mon, Dec 16

All meetings are from 9:30 AM to 12:30 PM. Decisions will be completed by 12/2. Administrative Services will prepare draft by 12/6.

Members read letters from various Port tenants.

O'Hara announced that in order to expedite the meetings, some new procedures would be followed. Members are given 5 minutes to present the issue. Questions and answers will follow. Each member will be given a 2-minute statement. After public comment, members will vote.

Task Force Recommendations

Port Contracts Exemption – Patricia Breslin

Breslin made a motion to exempt Port contracts from the ordinance citing fundamental difference between service contractors and Port tenants. Breslin said it creates unfair competition between Port tenants and non-Port tenants and will force Port employers to raise prices and lay off employees. Also, Breslin said that administration would be almost impossible.

Wilkinson seconded the motion. Members discussed the motion and whether or not it should be a blanket exemption or to amend the language to leave it open for future study. Breslin amended her motion to exempt current Port tenants from this current proposed Living Wage Ordinance. Welch said he would support a motion that specified restaurants but could not otherwise support.

Tom Creeden, a member of the public representing Port tenants, spoke to the task force. Creeden said the Port is unable to lease many facilities because they are in disrepair. Creeden said the Ordinance would further the difficulties of leasing by forcing tenants to pay higher wages.

At the call for the question, 10 members voted in favor and 1 voted against it. The motion was approved.

Non – Profit – Brian Cahill

Cahill made a motion that non- profits be included in the Ordinance with the following conditions:

- No Crucial Cuts in Health & Human Services
- Parity in Salary Policy
- Protection of small non-profits
- Annual Controller Certification
- Horizontal Wage Push

Welch seconded the motion. Members discussed the motion including funding, coverage & enforcement. Some parts of the motion had already been decided in other agenda items. Therefore, items would be voted on separately. Some parts of items 2,3 & 5 were re-worded to read as follows:

The Ordinance shall include language requiring parity and salary percentage increase decisions between non-profit agencies and the corresponding public employee bargaining units.

Non-profit contractors with less than $100,000 in City contract revenues shall be exempt.

Non-profit contractors who receive less than 50 % of their total operating revenues from City contracts may apply for a waiver from the contracting department which waiver shall be presumed to be granted if compliance with the Living Wage mandate would result in crucial health and human services. The waiver application must be submitted no less than 90 days prior to the date of the Controller's certification.

No **Public Comment** was made.

On item 2, nine members voted to approve and two voted against it. The motion passed.

Regarding item 3, eight members voted in favor and three voted against it. The motion passed.

For item 5, six members voted to pass, 4 voted against it and 1 abstained. The motion failed.

Annual Controller Certification – Kim King

King made the motion to recommend that the Task Force recommends that the Controller annually certifies that the budget contains adequate funds to cover increased costs to for-profit entities resulting from compliance with Living Wage requirements and if no certification is made, for-profits will be exempt for that year.

Breslin seconded the motion. After some discussion, members amended the motion to include service contracts. At the call of the question, 4 members voted in favor, 6 members voted against and 1 member abstained. The motion did not pass.

Part-time Employees – Kim King

King made a motion that the Task Force recommends that the Living Wage apply to all employees that spend more than 50 % of their time working on a City contract. King said the current legislation reads that any employee that works over 10 hours a week on a City contract would be affected by the ordinance.

Johnson seconded the motion. There was discussion of percentages of employee time, employee benefits, service & property contracts, as well as enforcement.

There was no **Public Comment**.

Seven members voted in favor of the motion and four voted against it. The motion did not pass.

Sunset Clause – Calvin Welch

Welch made a motion that the Living Wage Ordinance should be amended with the addition of a section that requires a mandatory review and written report to the Board of Supervisors on its application and provisions. This should occur during the third year of the Ordinance after two years of operation. The study should be conducted by a body selected by the board of Supervisors and should include the mandatory participation of whatever administrative entity is in charge of the Ordinance and all contracting city departments. The study should specifically address the special problems of part-time employees with special attention given to healthcare coverage and whether other employees should be covered as well as general operations of the program. In order to ensure that such a review happens, the Ordinance should include a Sunset Provision that ends the program after 5 years if there is no study and recommendation.

There was discussion of the Sunset clause and its link to evaluations. Members also discussed whether or not it was mandatory.

There was no **Public Comment**.

At the call of the question, 10 members voted in favor of the motion. One member abstained. The motion passed.

Earned Income Tax Credit – Bruce Fisher

Fisher made a motion to include Earned Income Tax Credit Outreach Program in the Ordinance.

Welch seconded the motion.

Members discussed employee eligibility, educational efforts, funding and independent analysis.

There was no **Public Comment**.

At the call of the question, members voted unanimously in support of the motion. The motion passed.

Support of Study of Citywide Minimum Wage

Ten members voted in favor of the Study and one voted against it.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

11/29/99

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Monday, November 29, 1999
9:30 AM – 12:30 PM

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Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE MEETING

MONDAY, NOVEMBER 29, 1999, 9:30 AM

CITY HALL ROOM 416

1. Call to Order/Roll Call
2. Approval of Minutes
3. Timing of Task Force Deliberations (ACTION ITEM)
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29/99

Living Wage Task Force
Minutes for Meeting of November 29, 1999

Members Present
Brian Cahill
Patricia Breslin
Bruce Fisher, ***VICE CHAIR***
Jim Illig, ***CHAIR***
Nanoshka Johnson
Kim King
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kent Woo
Earl H. White

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Staff Present
Bart Duncan, Deputy City Attorney
John Clark, Department of Administrative Services
Rachel Arnstine O'Hara, Clerk to the Task Force

The meeting was called to order at 9:35 a.m.

Approval of Minutes

Minutes to November 18, 1999 were approved.

Timing of Deliberations

Mr. Mueller informed the members that mayoral candidate Tom Ammiano has publicly accused the task force of stalling with their final recommendations until after the mayoral election. He felt that the task force should respond through the media. He made a motion reflecting this; Ms. King seconded the motion.

During discussion about the motion, Mr. Fisher and Mr. Welch stated that they would rather not spend time responding to campaign statements, adding that the task force has managed to remain politically neutral, and should continue to do that. Ms. Breslin disagreed and believes that this is an appropriate time to respond through a letter to the media that is not necessary a direct response to Sup. Ammiano's accusation.

At the call of the question, 5 members voted for, and 6 members voted against. The motion failed.

Mr. Welch suggested an alternative motion to send an article from the Task Force describing the process of deliberations as the only public forum addressing this issue, the draft recommendations, and the public hearing on Dec. 9th. This would be sent from the Task Force to both the San Francisco Chronicle and the San Francisco Examiner as an open forum piece for their editorial pages. Mr. Fisher seconded the motion.

At the call of the question 11 members voted for, and 1 member voted against. The motion was approved. Staff member, John Clark, was asked to work with Mr. Welch to draft the article.

Task Force Recommendations

Non Profits

Mr. Cahill proposed new language for the 5th point of his motion from the previous meeting. His proposed motion was **"Non-profit contractors who receive less than 50% and less than $2 million of their total operating revenue from City contracts may apply for a waiver from the contracting department. The waiver shall be presumed to be granted if compliance with the living wage mandate would result in a reduction in crucial health and human services. The waiver application must be submitted no less than 90 days prior to the date of the controller's certification."** Mr. Welch seconded the motion

During discussion of the motion, members made statements that showed their interest or disinterest in creating waivers and exemptions for small non-profit agencies. At the call of the question, 8 members voted for, 3 members voted against, and 1 member abstained. The motion was approved as a recommendation of the Task Force.

Property Contracts

Mr. Wilkinson's proposed motion was **"to eliminate property contracts from the Living Wage Ordinance."** Ms. King seconded the motion

During the discussion, Mr. White felt that this motion would exclude too many organizations. Ms. Breslin reiterated that she does not believe that a City tenant, who generates revenue for the City, should be subjected to the Living Wage Ordinance. Mr. Fisher informed the members that he was in favor of including some property contract like airport leases within the ordinance.

At the call of the question, 5 members voted for, 5 members voted against, and 2 members abstained. The motion failed.

Wage Level

Mr. Illig's proposed motion was **"To set the Living Wage level at $9 an hour without escalation for the life of the bill."** Mr. Woo seconded the motion

Mr. Illig distributed the chart on the $9 wage level for service contractors from the SFSU economic impact study and urged members to approve a wage level that the city can afford, with broader health coverage instead of a high hourly wage. During discussion of this motion, members stated their desires to phase in the wage levels, the effect of this wage level on small businesses, the assumption by all that health coverage for the uninsured would be an extra $1 - $1.25/hour, and alternatives such as tax incentives.

As continued discussion indicated that the motion would fail, each member was asked to state a wage level for the ordinance that would be agreeable to them. The members suggested levels ranged from $7- $10 per hour. Mr. Illig withdrew his motion.

Mr. Fisher introduced a new motion. **"To recommend the wage level to start at $8 in the first year, $9 in the second year, and the wage level for subsequent years would be increased with the local Consumer Price Index (CPI), with a maximum 4% yearly increase. Small businesses and MBE/WBE organizations should be given a tax credit incentive and healthcare costs should be additional."** Mr. Cahill seconded the motion.

After discussion the question was called, 4 members voted for and 8 voted against. The motion failed.

Ms. Johnson's proposed motion was **"To set the wage level at $7.50 for the first year, $8.25 for the second year, and $9 for the third year with no escalator, and with healthcare inclusion."** Mr. King seconded the motion

At the call of the question, 9 members voted for, and 3 members voted against. The motion was approved as a recommendation of the Task Force.

Mr. Illig asked staff to inquire from Dr. Potepan and Dr. Murphy when they could provide their promised update to the original economic impact study with revised numbers at different wage levels.

For-profit Thresholds

Ms. Rodriguez and Ms. Johnson presented a motion with many components about thresholds, exemptions and preferences for for-profit businesses. The first part to be discussed was **"The Living Wage Ordinance should apply to for-profit providers of services that employ 25 or more employees or have contracts with the city valued in excess of $150,000. The living wage mandate would extend its effects only to the contract firm's employees in San Francisco."**

During discussion of this motion some members felt that this was going against the Task Force's effort to broaden coverage with the lower wage level. Other issues brought up included how to categorize small businesses, the effects on MBE/WBE small businesses, bid preferences, and city funding to for-profit service contracts.

This portion of the proposal was tabled for further revision by the authors, and a separate motion was proposed: **"Bid preferences should be given to firms that comply with the ordinance who would otherwise be exempt."**

After discussion, 10 members voted for, and 2 members voted against. The motion passed as a recommendation of the Task Force.

Ms. Rodriguez and Ms. Johnson agreed to bring back the rest of their proposal for discussion and vote at the next meeting.

Meeting adjourned at 12:20 p.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

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Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, December 2, 1999
9:30 AM – 12:30 PM

1 Dr. Carlton B. Goodlett Place, **Room 416**
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San Francisco, CA

Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
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LIVING WAGE TASK FORCE MEETING

CITY HALL ROOM 416

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2/99

Living Wage Task Force
Minutes for Meeting of December 2, 1999

Members Present
Brian Cahill
Patricia Breslin
Bruce Fisher, ***VICE CHAIR***
Jim Illig, ***CHAIR***
Nanoshka Johnson
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kent Woo
Earl H. White

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Members unable to attend
Kim King

Staff Present
Mario Kashou, Deputy City Attorney
Bart Duncan, Deputy City Attorney
John Clark, Department of Administrative Services
Rachel Arnstine O'Hara, Clerk to the Task Force

The meeting was called to order at 9:42 a.m.

Approval of Minutes

November 24, 1999

Brian Cahill asked that on Page 2, paragraph 3, which states "The ordinance shall include language requiring parity and salary percentage increases…." Should read "The ordinance shall include language requiring parity in salary percentage increases…"

Patricia Breslin asked for a correction on page 2, paragraph 2, which states that "Breslin amended her motion to exempt current port tenants…." She would like it to state "Breslin amended her motion to exempt port tenants.."

Minutes to the November 24, 1999 were approved as amended.

Ms. Breslin asked for a correction on page 1 paragraph 3, that reads "Ms. Breslin disagreed and believes..." She would like that changed to "Ms. Breslin believes it is an appropriate time to respond through the media..."

Mr. Welch asked that Ms. Johnson's motion on page 3, paragraph 9, be concluded by stating the proposed motion assumes a $1.25/hour healthcare cost paid to the coverage pool.

Minutes to the November 29, 1999 were approved as amended.

Timing of Task Force Deliberations

Mr. Welch informed the members that he was taken aback by the report he read from the Examiner. He added that he had received numerous phone calls about the article, and most noted was that from Ken Jacobs, Living Wage coalition. He felt that with news reports recently printed in the Examiner and Chronicle, there was no reason to submit the op-ed piece to the media.

Mr. Wilkinson was disappointed to see the article in the paper, and felt that no more information should be given to the press till after the task force deliberations.

Mr. Illig disagreed, and stated that an op-ed piece was still needed to provide a context to the news reports and emphasize the public hearing opportunity.

Mr. White felt that writing the editorial piece would put the task force in a Q & A mode with campaigning politicians and the media.

Members agreed that the op-ed piece should be written after all deliberations have concluded.

Task Force Recommendations

Mr. Clark distributed Draft #10 of the member opinion grid.

For-profit Thresholds – cont'd – Lucia Rodriguez

Ms. Rodriguez informed the members that she had been lobbied by organizations and individuals who would like to see the small businesses defined as businesses with less than 100 employees, and have for-profit organizations be treated the same as non-profit organizations.

Ms. Rodriguez's proposed motion was broken down into three bullets. It stated:

- **The Living Wage Ordinance will apply to for-profit providers of services that employ 25 or more employees and employ staff that work within the City of San Francisco on contracts with the City that are valued in excess of $150,000 in total year.**

- **The Living Wage mandate would not extend its effect to employees of contract firms whose job is carried out outside of the City and county of San Francisco or those who do not work on City contracts.**

- **The Living Wage Ordinance will not affect for-profit, fixed-price service contracts that began prior to the effective date of the ordinance. Those contracts will not be affected during the balance of the contract unless or until the contract is extended after the effective date of the ordinance. Parties in these contracts may mutually agree to choose to amend the contract to make it subject to the ordinance, prior to the end or extension of the term of the contract.**

Ms. King seconded the motions.

Ms. Rodriguez asked that the issue of the providers at the airport be dealt with separately from this motion.

Mr. Cahill did not agree that for-profit organizations should be treated as non-profit organizations. He inquired if the motion can be changed to allow the threshold to be based on the contract dollars instead of the number of employees. He reminded the members that it is possible for a business to be small and very labor intensive.

There was an extensive discussion on changing the first portion of the motion, and what kind of a dollar threshold should be reflected.

Ms. Rodriguez changed the first portion of her motion to state, **"the Living Wage Ordinance will apply to for-profit providers of services and contracts with the City that are valued in excess of $150,000 in total per year."** Mr. Welch seconded the motion.

At the call of the question, 8 members said "Aye," 2 members said "Nay," and one member abstained. The motion was approved as a record of the Task Force.

On the second part of the motion, Ms. Johnson seconded the motion.

Mr. White did not agree with this motion, and stressed the fact that a number of important City contracts will be executed outside the county.

Mr. Kashou, deputy City attorney verified that the current Ammiano ordinance covers all employees who work on City contracts.

There were discussions on where employees could work, and minimum wage issue.

The second part of the motion was amended to now state, "**The Living Wage mandate would not extend its effect to employees of contract firms whose job is carried out outside of the City and County of San Francisco unless otherwise included in the ordinance.**"

At the call of the question, 0 members said "Aye," 9 members said "Nay," and two members abstained. The motion failed.

At the call of the question, on the third motion, 10 members said "Aye," 0 members said "Nay," and one member was not present during voting. The motion passed as a record of the Task Force.

Mr. Fisher felt that this particular motion could be used for non-profit organizations as well. So he made a motion that "**The Living Wage Ordinance will not affect non-profit, fixed-price service contracts that began prior to the effective date of the ordinance. Those contracts will not be affected during the balance of the contract unless or until the contract is extended after the effective date of the ordinance. Parties in these contracts may mutually agree to choose to amend the contract to make it subject to the ordinance, prior to the end or extension of the term of the contract.**" Mr. Wilkinson seconded the motion.

At the call of the question, 11 members said "Aye," and 0 members said "Nay." The motion passed as a record of the Task Force.

Coverage of Financial Services, Good suppliers and City Leased space – Welch

Mr. Welch proposed a motion that "**All contracts of $50,000 or more with the City and County of San Francisco involving financial services, the provision of goods, and real estate leases in which the City is the lessee, shall be covered by the Living Wage Ordinance for the portion of the workforce of those contracting entities working on the City contract and located within the City and County of San Francisco.**" Cahill seconded the motion.

There was a discussion on the possible difficulties in identifying which employees within the large corporations actually worked on the City projects, broadness of motion, administration, property contract issues, wage level preference and the process itself.

Mr. Wilkinson added that he believes that the companies that would be included under the category of Goods and financial service contracts are too large and complex to regulate.

Mr. Illig feels that this first Living Wage Ordinance should only cover service contracts.

Some members stated that they would support some sections of the motions rather than others. Therefore Mr. Welch broke down his motion into the three different sections.

1. Financial Services
2. Goods Providers
3. Real Estate Leases.

1 After some discussion on the motion as it affects financial services to the City, the question was asked. 10 members said, "Aye," and 1 member said "Nay." Motion passes as a record of the Task Force.

2 On Good providers, at the call of the question, 6 members said "Aye," 3 members said "Nay," and 2 members abstained from voting. The motion failed.

3 Finally after discussion of leases, at the call of the question, 6 members said "Aye," 4 members said "Nay," and 1 member abstained. The motion failed.

Non-security airport tenants – Breslin

Ms. Breslin proposed a motion **"to exempt all airport tenants that are not security related from the Living Wage Ordinance."** Mr. Mueller seconded the motion.

She added that because tenants already pay premium rent and a percentage of their profit to the airport, they are already heavily regulated and would be unfair to add the burden of the Living Wage to that.

Discussions focused on the security contracts and other service and tenant contracts within the City.

Ms. Breslin amended her motion to state **"to exempt all airport tenants and sub-tenants such as food establishments, bookstores and other retail concessionaires who pay the City market rent plus a percentage of the profits to lease a retail space at the airport."**

There was a discussion on the language used in reference to concessions, tip credit, car rental leases, and improvements of leased space.

Public Comment before the vote

Kathleen Harrington, GGRA asked that the members exempt all property contracts from the ordinance. She asked that they support this motion.

At the call of the question, 7 members said "Aye," 3 members said "nay," and 1 member was not present during voting. The motion failed.

There was further discussion on the motion, and members asked that it be further clarified and worded differently

Mr. Welch proposed a motion "**to include all service contracts and all property lessors at the airport with the exception of tenants that pay market rent and give a percentage of their profit to lease retail space at the airport."** Breslin seconded the motion.

At the call of the question, 8 members said "Aye," 2 members said "Nay," and 1 member was not present during voting. The motion passed as a record of the Task Force.

Healthcare Coverage – Fisher

Mr. Fisher proposed a motion that "**Healthcare be mandated for all workers on City contracts, regardless of wage level. Where the employer is not paying for health coverage they must pay $1.25/hour for employees who work ten or more hours on the City contract."** Mr. Welch seconded the motion.

There were discussions, on thresholds, on coverage for part-time workers, administration, universal healthcare coverage, healthcare cost and affordability.

Mr. Fisher amended this motion to "**Mandate healthcare requirements for all workers working on a City contract. If the employee cannot provide healthcare, they must pay $1.25 per hour the employee has worked towards the City's healthcare pool**."

At the call of the question, 11 members said "Aye," and 0 members said "nay." The motion passed as a record of the Task Force.

Meeting adjourned at 1:00 p.m.

LIVING WAGE TASK FORCE

December 6, 1999

The Agenda of this meeting is missing.

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Living Wage Task Force
Minutes for Meeting of December 6, 1999

99

Members Present
Brian Cahill
Patricia Breslin
Bruce Fisher, *VICE CHAIR*
Jim Illig, *CHAIR*
Kim King
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kent Woo
Earl H. White

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Members unable to attend
Nanoshka Johnson

Staff Present
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services
Rachel Arnstine O'Hara, Clerk to the Task Force

The meeting was called to order at 9:45 a.m.

Approval of Minutes

Review and approval of minutes of the December 2, 1999 meeting was tabled to the next meeting of the Task Force.

Task Force Recommendations

Park and Recreation Tenants – Patricia Breslin

Ms. Breslin proposed a motion "**To exempt all Recreation and Park tenants in the proposed living wage ordinance.**" Ms. King seconded the motion.

During discussion the Park and Recreation tenants were compared to the airport tenants and other City tenants, and concern was expressed about the effect of the proposed ordinance on the small business tenants.

Mr. Illig reminded the members that the SFSU study identified about 2,500 employees earning less than $9 an hour among tenants of Park and Recreation, Water and Real Estate departments.

Some members said that in order to support this motion, the exemption would need to be limited to small business tenants, because they believe the larger businesses can afford to pay a living wage to their employees. Mr. Welch suggested using a revenue threshold to categorize the tenants.

After statements of support and opposition by members, Ms. Breslin withdrew her motion. She offered to revise it and present it again at the next meeting.

Property Contracts and Affordable Housing - Calvin Welch

Mr. Welch proposed a motion **"Nothing in this ordinance shall require that those employed and paid for by funds derived from the use of property owned or jointly owned by the City and County of San Francisco which was purchased with federal, state and/or local funds which require less than market rate rents, and/or require the provision of services to lower income residents as a continuing requirement of that funding be covered."** Mr. Cahill seconded the motion.

Mr. Illig agreed that this motion provides important protection for the low-income housing that is essential for many clients that non-profit agencies now serve.

At the call of the question, 10 members said "Aye," and 1 members said "Nay. " The motion passed as a recommendation of the Task Force.

Administration of the Ordinance - Welch and Illig

Mr. Welch proposed that the ordinance include the actual City agency which will administer the program e.g. Department of Human Services, and that the agency be staffed at a level to allow it to engage in "proactive" administration (examples listed), and finally that the ordinance include a graduated series of "sanctions" for non-compliance which might include grace periods etc.

Mr. Illig proposed an administrative mechanism that should be simple and efficient, that the City should monitor compliance with the ordinance in the same way it monitors current contracting requirements, enforcement shall be complaint driven and the ordinance shall include funding for a Citywide administrative unit in the Department of Administrative Services.

This led to discussions on a centralized versus decentralized administrative system, what department was capable of enforcing the ordinance, and possibly leaving the administrative decision to the Board of Supervisors.

Efforts were made to merge both proposed motions, and the new motion says:
"The Task Force recommends the following:

1. The administrative mechanism for monitoring and compliance should be simple and efficient.

2. The Board of Supervisors should designate in the legislation a specific administering Agency.

3. The administering agency should be staffed at a level that allows pro-active, complaint-driven implementation, which includes, but is not limited to the Following:

a. Requiring contractors to file an annual declaration of compliance.
b. Requires a list of covered contractor positions for both the wage level and health benefits.
c. Allows review of payroll records on site.
d. Complaints shall be resolved at the lowest level possible by the contracting department, however, the administering agency shall be notified of all complaints and any proposed resolution of said complaints.
e. Periodic review of health coverage provisions.
f. Mandatory notification of covered workers of their rights under the Living Wage ordinance.
g. Investigating complaints, whether on referral or on its own volition.

4. The ordinance include progressive sanctions for non-compliance including, but not limited to:

a. 10 days for the contractor to remedy non-compliance with no penalty.
b. If non-compliance continues; the City may do any or all of the following: assess a monetary penalty against the contractor, withhold contract payment, terminate the contract, or bar the contractor from receiving additional City contracts.

5. The ordinance includes adequate funding for additional staff to insure consistent and efficient administration and enforcement, both in the administering agency and, if needed, in the contracting departments as well.

At the call of the question, 11 members said "Aye," and 0 members said "Nay."
The motion passed as a recommendation of the Task Force.

Trainee Exemption -- Fisher

Mr. Fisher discussed his ideas for an exemption for trainee programs, and agreed to bring specific language for consideration at the next meeting.

Final Report

John Clark distributed draft copies of the proposed final report of this task force to the Board of Supervisors. He informed the members that their motion statements were used as the basis for this final report. Members were asked to go over the draft and fax in their comments and changes to Ms. Arnstine O'Hara by Tuesday December 7, 1999. An updated draft will be available at the public hearing scheduled on December 9, 1999.

There was some discussion on what should be included within the final report. Mr. Welch proposed a motion not to include the resignation letters from former task force members in the final report. Mr. Illig seconded the motion.

At the call of the question, 10 members said "Aye," 0 members said "Nay." The motion passed.

Timing of Task Force Deliberations

Mr. Illig informed the members that there are still a few issues to be decided, such as the provision for 12 paid days off, the trainee exemption, and Rec. and Park tenant coverage. Members agreed to address these issues at the Dec. 9th meeting after the public hearing. Ms. Rodriguez agreed to bring a motion to the next meeting concerning the time off provisions in the proposed ordinance.

Meeting adjourned at 1:00 p.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

/99

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, December 9, 1999
9:30 AM – 12:30 PM

1 Dr. Carlton B. Goodlett Place, **Room 416**
City Hall
San Francisco, CA

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
Rolf D. Mueller	Lucia M. Rodriguez
Calvin Welch	Earl H. White
Bill Wilkinson	Kent Woo

Task Force members unable to attend the meeting are requested to contact staff no later than noon on the Tuesday prior to the meeting.

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Living Wage Task Force
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4083

415-554-6083 (Voice)
415-554-6177 (Fax)

Rachel_ArnstineO'Hara@ci.sf.ca.us (E-mail)

LIVING WAGE TASK FORCE MEETING

CITY HALL ROOM 416

9:30 AM

1. Call to Order/Roll Call
2. Approval of Minutes
3. Public Hearing (DISCUSSION ITEM)
4. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)
5. Public Comment
6. Adjournment

DISABILITY ACCESS

The Living Wage Task Force meeting will be held in Room 416 at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco.

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Living Wage Task Force
Minutes for Meeting of December 9, 1999

9/99

Members Present
Brian Cahill
Patricia Breslin
Bruce Fisher, *VICE CHAIR*
Jim Illig, *CHAIR*
Kim King
Rolf D. Mueller
Lucia M. Rodriquez
Calvin Welch
Bill Wilkinson
Kent Woo
Nanoshka Johnson

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Members unable to attend
Earl H. White

Staff Present
Mario Kashou, Deputy City Attorney
John Clark, Department of Administrative Services
Rachel Arnstine O'Hara, Clerk to the Task Force

The meeting was called to order at 9:45 a.m.

Approval of minutes

December 2, 1999

Brian Cahill asked that his statement on page three, paragraph three, the last line that states " to be small and very labor intensive." be changed to say "..... small and still do large volume of business."

On the third page replace "Ms. King seconded a motion" to Ms. Johnson.

On page 6, Mr. Fisher's amended motion should be changed to state "**All employers covered by the San Francisco Living Wage Ordinance must provide health insurance benefits to all employees working on the City contract regardless of wages paid. If an employer does not provide health insurance benefits, then the employer shall pay $1.25 per hour to the City Health Purchasing Pool for every hour worked by an employee on the City contract who is without healthcare benefits. The City**

should augment this health pool funding for the purpose of providing health care benefits to these workers in the most beneficial manner possible."

Minutes to the December 2, 1999 meeting were approved as amended.

December 6, 1999

Minutes to the December 6, 1999 meeting were approved.

Public Hearing

Mr. Clark summarized the Draft #2 of the Final Report, and stated that the recommendations will be presented first in the presentation of each issue. Members were asked to review the report and submit corrections by close of business Friday, December 10, 1999, to allow for the presentation of the final draft report at the December 16, 1999 meeting.

Public Comment

Jim Mathias, San Francisco Chamber of Commerce, informed the members that he is pleased to see San Francisco taking the lead in covering the living wage issue. He added that the San Francisco Chamber of Commerce has received inquiries from all over the country on this issue. He asked that an Executive Summary of the Economic Study be included in the Final Report to the Board of Supervisors.

Kathleen Harrington, GGRA, commended the task force on their work. She especially commended them on the reasonable approach they used to discuss the issues, and their great effort to include healthcare for all workers covered by the Living Wage Ordinance.

Helen Hobb, restaurant owner, also commended the task force and added that the Board of Supervisors deserves credit for creating the task force to thoroughly examine this proposal.

Marian Costello, Port Tenants Association, thanked the task force for a careful deliberative process.

Tom Creedon, President of the Port Tenant's Association, said that he appreciated the diversity of views on the task force. He believes that it allowed the seriousness of this issue to be discussed in public.

Lara Repelle, restaurant owner, informed the members that she was a small business tenant with the San Francisco Park and Recreation Department. She stressed her concerns about being included in the Living Wage Ordinance. She reminded the members that the only thing that a small business owner could do, if included in the Ordinance, is to pass the costs over to the customers, yet heavy competition could potentially kill their business. She urged the task force to consider the fact that as a Park

and Recreation tenant, she is not subsidized by any government funds, and she pays a fair market rent and a percentage of her profit to the department.

John Testa, car rental operator at the airport, informed the members that he paid a fair market rent and 10% of his profits to the airport. If airport tenants were covered by the Living Wage Ordinance, additional labor costs would have to be passed on to consumers and that would put airport tenants at a competitive disadvantage. He urged the task force to consider excluding car rental companies at the airport from the ordinance.

Task Force Recommendations.

Trainee Exemption - Bruce Fisher

Mr. Fisher proposed a motion that **"The Living Wage Ordinance shall not apply to those in bonafide on-the-job training for entry level workers, including interns, summer and after-school student workers. Such exemptions shall exist for up to 12 months of training, but can be extended for an appropriate period based on a showing by the covered employer to the oversight agency that, given the nature of the training program, and/or the special circumstances of the trainee population, such extension is reasonable."** Mr. Cahill seconded the motion.

Mr. Fisher gave reasons for his motion. There were discussions on what is classified as "bonafide on-the-job training", period of training time, interns, summer youth programs, and exemption classification.

At the call of the question, 11 members said "Aye," 0 members said "Nay." The motion was approved as a recommendation of the Task Force.

Employee Time Off

Ms Rodriguez proposed a motion **"that sick and vacation pay as well as unpaid personal time off not be included in any proposed Living Wage Ordinance."** Ms Breslin seconded the motion.

Ms Rodriguez informed the members that she believed that time off is a fringe benefit that should be left to the employer without outside intervention. Members argued for and against including provisions for paid and unpaid time off in the Living Wage Ordinance. They also discussed government intervention into small business, the right of employers and employees to negotiate time off provisions, and mandating a certain number of days.

At the call of the question, 7 members voted "Aye," 3 members voted "Nay," 1 member abstained. The motion failed.

Mr. Fisher proposed a motion: **"The Ling Wage Ordinance should require employers to provide reasonable policies for sick and vacation time."** Ms. King seconded the motion.

During member statements, it became clear that the proposed language would not pass and Mr. Fisher withdrew this motion.

Mr. Fisher proposed a new motion **"That employers covered must provide a minimum of 12 paid days off for sick leave or vacation purposes for all full-time covered workers. Such benefit shall be pro-rated for employees who work a minimum of 20 hours or more."** Mr. Cahill seconded the motion.

At the call of the question, 4 members voted "Aye," 7 members voted "Nay." The motion failed.

Mr. Illig proposed a motion **"That the Living Wage Ordinance should encourage employers to provide a minimum of 12 days of compensated time-off for covered employees subject to the employer's policy for use of paid time off."** Mr. Wilkinson seconded the motion.

At the call of the question, 6 members said "Aye," 2 members said "Nay," and 3 members abstained. The motion failed.

Mr. Illig reintroduced his motion without stating the number of days: **"That the Living Wage Ordinance should encourage employers to provide compensated time-off for covered employees subject to the employer's policy for use of paid time off."** Ms. King seconded the motion.

At the call of the question, 8 members said "Aye," 2 members said "Nay," and 1 abstained. The motion passed as a recommendation of the task force.

Recreation and Park Tenants (cont'd) - Breslin

Ms Breslin proposed a motion **"To exempt from the LWO all Recreation and Park Dept. tenants who are open to the public for non recreational purposes and pay market rent."** Ms Johnson seconded the motion.

Ms. Breslin presented information about food concessions on Rec. and Park land. There was discussion on the definition of "non-recreational purposes", and categorization of the tenants. After discussion it became obvious that the motion would not pass and Ms. Breslin withdrew her motion.

Some of the task force members wanted the small concessionaires and non-profit organizations with Recreation and Park leases to be exempt from the LWO, but wanted to capture the ballparks and large corporations under the ordinance. Others felt that any tenants that keep up maintenance of their property and pay market rents and a percentage

of their profits to the City should be exempted. Some members of the task force believe the LWO should only apply to service contractors and therefore all tenants should be exempt.

On the issue of the Recreation and Park tenants, the Task force voted on two recommendations and neither obtained the supermajority of 8 votes needed for a recommendation of the task force.

The next meeting will be the last of the Living Wage Task Force. Members will approve the final language for the report to the Board of Supervisors.

Meeting adjourned at 12:10 p.m.

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

6/99

Living Wage Task Force
City and County of San Francisco

Notice of Meeting and Agenda

Thursday, December 16, 1999
9:30 AM – 12:30 PM

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Task Force Members

Patricia Breslin	Brian Cahill
Bruce Fisher, Vice Chair	Jim Illig, Chair
NaNoshka Johnson	Kim King
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LIVING WAGE TASK FORCE MEETING

CITY HALL ROOM 416

Thursday, December 16, 1999, 9:30 AM

Room 416

1. Call to Order/Roll Call

2. Approval of Minutes

3. Task Force Member's Recommendations on Living Wage Ordinance (ACTION ITEM)

   a) Inclusion or Exemption of Recreation & Parks Dept. Leases

4. Statements by Task Force Members on the Record (DISCUSSION ITEM)

   (This is an opportunity for members to make any statement they wish to have in the official record)

5. Public Comment

6. Adjournment Sine Die.

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LIVING WAGE TASK FORCE

December 16, 1999

There were apparently no Minutes of this meeting.
It was the final meeting of the Task Force.

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